Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

November 1, 2007

Dear Commissioners:

Briefing materials for the **Thursday, November 8, 2007** Commission meeting are enclosed. You will find the minutes of the September meeting posted on ORDC's website at www.dot.state.oh.us/ohiorail.

The meeting will be held in the Vern Riffe Center, 31st floor, South B&C, beginning at 10:00 a.m. If you haven't already done so, please contact Wende Jourdan to confirm your attendance. You may reach her at 614/728-9497 (telephone) or by e-mail at wende.jourdan@dot.state.oh.us.

We look forward to seeing you at the meeting.

Sincerely,

Jolene M. Molitoris
Chair

enclosures

THE OHIO RAIL DEVELOPMENT COMMISSION

MEETING AGENDA

Thursday, November 8, 2007

Vern Riffe Center for Government & the Arts

77 South High Street, 31st floor, Columbus, Ohio

CALL TO ORDER – Jolene Molitoris, Chair

- Welcome
- Roll Call
- Approval of Minutes from September Meeting

RECOGNITION OF JAMES E. BETTS

EXECUTIVE DIRECTOR / FINANCE REPORT – Matt Dietrich

PROJECTS FOR APPROVAL

Resolution 07-14; City of Trotwood – Lou Jannazo

EXECUTIVE SESSION for consideration of Secretary-Treasurer – Jolene Molitoris

NEW BUSINESS

Potential Appointment of New Secretary-Treasurer – Matt Dietrich
Presentation on Wayne County SR 57 Project – Susan Kirkland
ODOT Ohio Freight Rail Choke Point Study

PUBLIC COMMENT

ADJOURN

MEMORANDUM
November 2007

TO: ORDC Commissioners
FROM: Matthew Dietrich
SUBJECT: Executive Director / Finance Report

This document reflects the accomplishments and highlights of the Ohio Rail Development Commission since September 13, 2007.

- In an effort to continue to reach out to ORDC constituents, I am continuing to meet with groups having an interest in rail transportation in Ohio. Since the last Commission meeting I have met with the Ohio Rail Tourist Association, Angels on Track and the Ohio Coal Association. In the near term I am hoping to meet with Senator Austria, the new Chair of the Senate Transportation Committee.

- With the Ohio Central and the Dennison Depot, ORDC participated in a press in Coshocton to announce the running of the Polar Express this year.

- The First Ohio Freight Conference in Toledo was a success. In ORDC's sponsorship, participation in sessions and attendance, ORDC had a prominent role in the Conference. Thank you to all of the Commissioners and Staff who contributed to that effort. Also, the Commission owes its thanks to Art Arnold of the Ohio Rail Association and Scott Movshin of CSX who added the railroad view of public-private partnerships to the ORDC session.

- The ORDC is working with the Ohio Department of Development to revive the proposal to better leverage ORDC's revolving loan fund program using the Enterprise Bond Fund. In order to allow this to occur, ORDC will need changes to its revised code sections that permit it to provide loan guarantees. The language for this proposal (attached) has been drafted by the Legislative Services Commission (LSC). ORDC is waiting the final approval from the Department of Development before moving forward.

- Staff will be finalizing the GOE Lima, LLC and the WESTCO loans in November.

- Shenandoah Valley Realty, LLC (Jacob's Industries) has declined their approved $650,000 loan for racking and storage equipment.

- The ORDC has been working closely with ODOT, PUCO, Public Safety and ODOD in regard to the Ohio Transportation Task Force, a legislatively-convened convened Task Force charged to "examine and evaluate the state's ability to provide for the safe and efficient movement of freight within this state during the next two decades." The meeting schedule is attached to this report. The ORDC has testified with ODOT once and will mostly likely testify again at the November 14th meeting.

- The Panhandle Long Term Lease Task Force Committee has met twice since the last commission meeting. The meeting minutes will be up on the web.

- US Senate Bill 294 (Passenger Rail Investment & Improvement Act) passed the Senate on October 30th 77 to 22. Staff has been coordinating communications with Ohio Congressional delegation and Governor Strickland's Washington office to make ORDC position clear that this bill is a potential funding source for the Ohio Hub. Efforts now will turn toward the House to create and advance a companion bill to S-294 or comparable legislation. Staff also worked closely with numerous advocacy groups including All Aboard Ohio, Midwest Interstate Passenger Rail Commission, TMACOG Passenger Rail Committee, States for Passenger Rail and the Environmental Law & Policy Center. Stu Nicholson took the lead on this initiative for ORDC.

- Please find attached to this report a letter of support from Senator Tom Roberts regarding the City of Trotwood project on the agenda today.

- SAVE THE DATE: There will be a ribbon cutting ceremony on November 19th at 10:00 am at the former B&O depot in Mt. Vernon to celebrate the completion of the $1.7 million grant ORDC received from ODOD for the rail crossing surfaces on the former-CSX Mt. Vernon line that is operated by the Ohio Central.

- The November Finance Report is attached for your review.

Reviewed As To Form By
Legislative Service Commission

LSC 124 1840

124th General Assembly
Regular Session
2001-2002

. B. No.

A BILL

To amend section 4981.14 of the Revised Code to authorize the Ohio Rail Development Commission to pledge specified moneys to secure Department of Development obligations issued for qualifying rail service projects.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 4981.14 of the Revised Code be amended to read as follows:

Sec. 4981.14. (A) The Ohio rail development commission may exercise all powers necessary or appropriate to carry out its corporate purposes.

(B) The commission may do all of the following:

(1) Adopt, and from time to time, ratify, amend, and repeal bylaws necessary and proper for the regulation of its affairs and the conduct of its business and rules to implement and make effective its powers and duties;

(2) Adopt an official seal;

(3) Maintain a principal office in Columbus and, if necessary, regional sub-offices at locations properly designated or provided;

(4) Sue and be sued in its own name and plead and be

impleaded in its own name, particularly to enforce the obligations and covenants made under this section and sections 4981.13~~,~~ ~~4981.14,~~ and 4981.29 of the Revised Code. Any actions against the commission shall be brought in the court of common pleas in Franklin county, in which the principal office of the commission shall be located.

(5) Undertake or cause to be undertaken the acquisition, renovation, repair, refunding, operation, maintenance, or construction of any rail service project;

(6) Establish and operate a revolving loan fund for the purpose of making loans to qualifying subdivisions, local or regional transportation authorities, or other persons for the acquisition, renovation, repair, refunding, or construction of rail service projects by such qualifying subdivisions, local or regional transportation authorities, and private corporations or organizations, and the repayment thereof from project financing proceeds and revenues; purchase the obligations of counties and municipal corporations issued for the acquisition, renovation, repair, or construction of rail service projects by such qualifying subdivisions and local or regional transportation authorities; and adopt rules and procedures for making those loans or purchasing those obligations;

(7) Issue bonds and notes and refunding obligations of the state, payable as provided in this chapter unless the bonds are refunded by refunding bonds, for the purpose of borrowing money to implement any power granted by divisions (B)(5) and (6) of this section for one or more rail service projects or parts thereof;

(8) Acquire by gift or purchase, hold, or dispose of real and personal property in the exercise of its powers and performance of its duties as set forth in this chapter;

(9) Make and enter into all contracts and agreements and

execute all instruments necessary or incidental to the performance of its duties and the execution of its powers and to employ natural persons to act on behalf of the commission, and to establish the terms and conditions of such employment;

(10) Receive and accept from any federal agency or other person, subject to the approval of the governor, grants for or in aid of the construction, repair, renovation, operation, maintenance, or acquisition of rail service projects, and receive and accept aid or contributions from any source of money, property, labor, or other things of value, to be held, used, and applied only for the purposes for which the grants and contributions are made;

(11) Purchase property coverage and liability insurance for any rail service project and for any offices of the commission, insurance protecting the commission and its officers and employees against liability, if any, or damage to property or injury to or death of persons arising from its operations, and any other insurance the commission may agree to provide under any resolution authorizing the issuance of bonds in accordance with sections 4981.11 to 4981.26 of the Revised Code, or in any trust agreement securing the same;

(12) Establish or increase reserves from moneys received or to be received by the commission to secure or pay the principal of and interest on bonds, notes, or other obligations issued by the commission pursuant to this chapter or other law. Moneys, funds, and accounts of the commission, however, are subject only to audit by the auditor of state and all moneys, funds, and accounts shall be held in custody or deposited as directed by resolution of the commission and unless otherwise provided by law all moneys of the commission not pledged to the holders of bonds of the commission shall be appropriated by the general assembly.

(13) Receive and disburse the proceeds of general obligation

or other bonds of the state or agencies thereof as may be allowed by law pursuant to any resolution or act of the general assembly;

(14) To the extent permitted under its contracts with the holders of bonds or notes of the commission, consent to modification of the rate of interest, time and payment of installment of principal or interest, security, or any other term of a bond, contract, or agreement of any kind to which the commission is a party;

(15) Make grants to counties or municipal corporations, qualifying subdivisions, local or regional transportation authorities, or other persons for one or more rail service projects ~~of~~ or parts thereof;

(16) Provide consultation services to any qualifying subdivision, local or regional transportation authority, or other person in connection with the acquisition, renovation, repair, or construction of any rail service project;

(17) Establish and amend the criteria and qualifications for the making of any loan to or the purchasing of any bond from any qualifying subdivision, local or regional transportation authority, or other person and the terms not inconsistent with this chapter of any loan or bond purchase agreement with any qualifying subdivision, local or regional transportation authority, or other person;

(18) Deposit money received from the repayment of loans and recoveries from the sale, lease, or other disposition of property acquired or constructed from amounts loaned by the commission pursuant to section 4981.13 of the Revised Code or division (B) of this section, in an account pledged to secure, and applied to the repayment, without the need for appropriation, of, obligations issued under section 166.08 of the Revised Code to pay the costs of property, facilities, or equipment that qualifies as rail

service projects; enter into agreements with the treasurer of state or a corporate trustee for such obligations to provide for the deposit and pledge of such money as specified in the agreement, to permit the withdrawal of money by the treasurer of state or corporate trustee from the account as necessary for application to the payment of debt service on such obligations, and to permit the investment of those amounts, without regard to Chapter 131. or 135. of the Revised Code, pending their application to the payment of debt service; and enter into agreements with persons to provide for the repayment of any amounts paid from any pledged account in connection with obligations issued under section 166.08 of the Revised Code;

(19) Do all acts necessary and proper to carry out the powers expressly granted to the commission in this chapter.

(C) Any instrument by which real property is acquired pursuant to this section shall identify the agency of the state that has the use and benefit of the real property as specified in section 5301.012 of the Revised Code.

Section 2. That existing section 4981.14 of the Revised Code is hereby repealed.

The Ohio Senate
Senator Kirk Schuring

The Ohio House of Representatives
Representative Steve Reinhard

Ohio Transportation Task Force Schedule

Date: Wednesday, September 19th - 4pm
Location: Ohio Statehouse Hearing Room 018
Topic: The main charge of the Task Force, which is to examine and evaluate the state's ability to provide for the safe and efficient movement of freight within this state during the next two decades

Date: Wednesday, October 3rd - 4pm
Location: Ohio Statehouse Hearing Room 018
Topic: The state's policies on transportation infrastructure development, funding, and investment

Date: Wednesday, October 24th - 4pm
Location: Ohio Statehouse Hearing Room 018
Topic: The benefits of public investment in transportation infrastructure

Date: Wednesday, November 14th - 4pm
Location: Ohio Statehouse Hearing Room 018
Topic: The statutes and rules that impact the transportation of freight, including the weight provisions and permit requirements of existing law

****Task Force members' recommendations for Draft Report due in Chairman's office Wednesday, November 21st at 5pm.**

Date: Wednesday, December 5th - 4pm
Location: Ohio Statehouse Hearing Room 018
Topic: Initial Draft Report to be reviewed by Task Force

Date: Wednesday, December 12th - 4pm
Location: Ohio Statehouse Hearing Room 018
Topic: Task Force approval of Report

Date: Saturday, December 15th
Ohio Transportation Task Force Committee Report Due

***Please provide 35 copies of any written testimony**
****Please limit testimony to 10-15 minutes**

Testimony of the Ohio Department of Transportation
before the Ohio Transportation Task Force
Wednesday, October 24, 2007

Director James Beasley, P.E./P.S.

Good afternoon, Chairman Schuring and Chairman Reinhard and my colleagues on the task force. My team at the Ohio Department of Transportation has spent the last two weeks meeting with some of our transportation partners, trying to get a better sense of what the Ohio Transportation Task Force can and should be contemplating in our short time frame. The legislative charge is to consider the future of the safe and efficient movement of freight within Ohio.

Given the predicted doubling of freight in the next 20 years, the current congestion on our state highway system, the disappearance of excess rail capacity, and our under-utilized water-transport opportunities, this discussion is timely.

ODOT is currently working on our department's business plan, and a key priority is to determine the needs of providing an efficient transportation system to handle more people and more freight for the foreseeable future.

This dialogue needs to be multi-modal. We need an integrated system of all modes of transportation, working in harmony to deliver a seamless transportation system. This will require a thorough review of our current situation, what the possibilities are for growing each mode, and what it will ultimately cost.

Once a plan has been developed, we will need to determine how to finance the improvements. There are a myriad of financing mechanisms that should be considered. The gas tax is no longer the dependable, fair and equitable tax it once was. In addition, as a user fee, the revenue from the state gas tax is limited to highway projects. As a state, we need to broaden our horizons when considering funding.

We look forward to working with our partners on this task force and with our partners in the Legislature to address these issues and to craft any new legislation necessary to allow us access to not only new funding methods but also a new project selection process, so that we are advancing the very best projects for our entire state.

Mr. Chairman, in order to determine the needs and frame the problem, I would now ask Steve Campbell, ODOT's Chief of Staff, to share with this committee a review of how our department and our state touches the movement of freight and the challenges which lay before us.

Steve Campbell, ODOT Chief of Staff

As part of our department's presentation to this task force, let me map for you Ohio's current transportation system and how our state measures and supports the safe and efficient movement of freight. Bear with me, as there are a lot of numbers to share. With that understanding, though, we can better see the challenges we must confront and the opportunities we need to seize, as we look to greater maximize our transportation system and the economic potential it drives.

Although Ohio ranks 35th in terms of land size, the map of our transportation system has much greater detail than the majority of other states.

- With it's 19,000-miles of state highway system - plus the 241 miles of the Ohio Turnpike that stretch across our northern border - Ohio has the 7th largest highway network and 4th largest interstate system in the nation
- Ohio has more than 44,000 bridges, giving us the 2nd largest inventory
- Ohio has the 5th highest volume of truck traffic, 4th highest commercial vehicle miles traveled, and 5th highest volume of overall traffic than any other state
- Ohio is crisscrossed by three national rail carriers and 32 smaller rail companies, operating nearly 5,500 miles of track - the 4th most rail routes in the nation
- Ohio is 10th in transit ridership, with 60 public transit systems serving 59 counties
- Ohio is bounded by 716 miles of navigable waterways, with 130 terminals on the Ohio River alone
- and aviation - with 106 federally-designated airports and more than 15 million people who annually depart from the five largest via scheduled air service – rounds out Ohio's current multi-modal system

This impressive system grew with Ohio's economy; and Ohio's economy would not be 7th largest in the United States without it.

Playing a key role in that economic engine is the movement of freight and the anticipated escalation of freight flows, fueled by an economy more reliant on imports. Before this current generation of globalization, federal policymakers laid the groundwork for a more efficient transportation system by deregulating the industries. Rising congestion on all modes of transport, however, is predicted to threaten productivity gains. To keep our state moving - and keep Ohio competitive in the global marketplace - we face a critical need to address freight transportation issues.

To illustrate the impact of freight in our state, here are some additional numbers:
More than 950 million tons of freight, valued at more than $1.8 trillion, is already transported into, out of, within, and through Ohio. 60% of this freight, as measured by weight, moves by truck. Rail accounts for 28%; and water accounts for the remaining 12-13%.

By weight, Ohio imports more freight than it exports (234 million tons versus 179 million tons), but by value, Ohio exports are greater than its imports ($409 billion in exports versus $336 billion in imports). This reflects the "value-added" nature of Ohio's manufacturing economy, a point I will emphasize again later in my presentation.

As we look to the not-so-distant future: in the year 2020, nearly 1.4 billion tons of freight, worth more than $2.8 trillion, is expected to be transported into, out of, within and through Ohio. That represents overall growth rates of 45 and 54 percent in tonnage and value, respectively during that time period.

The numbers are impressive and the forecasts daunting, yet it is also helpful to note the response of state policymakers and how our state touches this industry. And for the moment, let me stay with the topic of freight.

ODOT is not alone in managing the flow of freight, and in the limited time this task force has, I hope you get to hear from our state partners; including the Department of Public Safety and the Highway Patrol, the Public Utilities Commission of Ohio (PUCO), the Department of Development, and the Ohio Rail Development Commission (ORDC).

Department of Public Safety:
Let me begin with our partners at the Department of Public Safety, where the Highway Patrol recently launched a new traffic enforcement and educational campaign targeting Ohio's truck traffic. "Operation Safe Driver" is a joint effort by the Highway Patrol, the Commercial Vehicle Safety Alliance, and the Federal Motor Carrier Safety Administration, aiming to reduce crashes involving passenger vehicles and large trucks by emphasizing driver behavior and performance.

- Ohio averages 151 fatal crashes (175 deaths) each year involving large trucks weighing more than 10,000 pounds.
- Nearly 40% of large truck drivers involved in fatal crashes in Ohio in 2005 were licensed in other states.
- Compared to the other states, a greater proportion of Ohio's large-truck-related fatal crashes involve tractor/semi trailers (72.4% compared to 62.7% in the other top 10 states).
- Last year in Ohio, over 18,000 commercial vehicles inspected by the Ohio State Highway Patrol were placed out of service for equipment violations.

From modifying the size and weight of trucks to changing how the state transmits permits and licenses, any recommendations this committee makes should take safety into great consideration.

Public Utilities Commission of Ohio:
Commercial transportation companies in Ohio are also public utilities under the jurisdiction of the PUCO. The PUCO registers more than 58,000 general freight carriers, more than 2,500 hazardous materials transporters, more than 1,000 towing companies, and more than 300 household goods movers.

The PUCO conducts audits, inspections, and safety reviews to evaluate motor carriers' safety records, policies, and procedures. The PUCO's comprehensive roadway safety program aims to prevent and reduce the number of accidents on Ohio's roadways and emphasizes the safe transportation of hazardous materials.

The Motor Carrier Safety Assistance Program is a major grant program of the U.S. Department of Transportation for which the PUCO has been designated as a lead agency. This program is utilized by the PUCO to develop a comprehensive approach to motor carrier safety in Ohio.

Generally, PUCO authority extends to commercial transportation that operates only within Ohio. However, the federal government requires states to implement intrastate regulations that are similar to federal regulations. To accomplish this, the federal government contracts with state governments to enforce these regulations. Therefore, both intra- and interstate commercial transportation may be included in PUCO supervision.

Department of Development:
The Ohio Department of Development works with many different types of companies throughout the state, with all different types of needs. When companies are looking to locate their operations in Ohio, transportation is always in the top three most important factors influencing business location. Whether air, water, rail or highway, the Development Department works with ODOT to ensure appropriate access to the transportation network.

Ohio Rail Development Commission:
The Ohio Rail Development Commission performs an additional vital economic development function by assisting businesses locating or expanding in Ohio with rail spurs and other rail infrastructure. Using grants and loans, the ORDC also helps rehabilitate light density branch lines on small short-line and regional railroads; assists in the acquisition and continued operation of branch lines; and addresses special rail problems such as mainline congestion and assisting businesses with rail-related issues. Later in this presentation I will address the need for addition investment in Ohio's freight-rail system and how it can be leveraged to provide large public benefits.

Ohio Department of Transportation:
Finally, ODOT touches the transportation of freight on three primary levels: the capital improvement dollars we spend each year, the operation and maintenance of the system, and the permitting process for freight haulers. As part of our more than $3 billion annual budget, nearly $2 billion each year goes to the preservation, construction and modernization of our highway system. Operation and maintenance of the system – including the annual plowing of snow and salting of roads during the winter – make up a good percentage of the remaining budget. Through our permitting process, then, we can measure and mitigate the impact freight has on the system we build and maintain.

According to the American Association of Transportation and Highway Officials, one large, legally loaded truck weighing 80,000 pounds puts about the same wear and tear on a road as 9,000-10,000 cars. A large truck also causes as much congestions as 2.5-3.5 cars on flat terrain and as much as 15 cars on uphill grades. Clearly, the congestion and wear-and-tear on our current highway system already caused by freight-truck traffic cannot be underscored enough.

While now is not the time to delve too deep into the issue of overweight trucks, it is worth pointing out that ODOT issued nearly 271,000 special hauling permits last year – half of them overweight permits. Our transportation system exists to facilitate commerce, and never has the department denied these requests for special hauling. We have been able to work with carriers to find the best and safest route – where bridges, overpasses, lane widths, and roadway geometrics can handle these over-dimensional loads. Common-sense solutions often prevail: when the load can be broken down or the number of axles increased – to mitigate some of the wear and tear.

Intermodal Transportation:
Rather than focus on the costs of fixing wear and tear on our system, let us instead look to how we better utilize and optimize the existing infrastructure assets of our state, both public and private. One key area should be an analysis of the interaction of existing intermodal facilities in our state.

Ohio's economy is reliant on a vast intermodal system of transportation facilities, as depicted in the map and report given to you as part of this presentation. When people think of intermodal facilities, what immediately comes to mind are mega-intermodal projects like the emerging Rickenbacker Intermodal Terminal, expected to be operational in early 2008. While these large scale projects are critical elements to the state's transportation infrastructure, there are also many smaller-scale opportunities where transportation modes meet.

On one end of the scale is Ohio's freight-rail system. The Association of American Railroads estimates that Ohio railroads handled 316 million tons of freight in 2005. Intermodal transportation via rail and truck has always been a part of the transportation market, with origins in the "piggyback" service of carrying truck trailers on railroad flat cars. Rail-truck Intermodal service has accelerated with the advent of ocean cargo containers and increases in international trade.

Also on the intermodal scale are Ohio's waterway port facilities and airports. On the water, Ohio ports annually handle about 188 million tons of cargo. In the air, roughly 2 to 3 million more tons annually go through Ohio's airports. The intersections of these multiple modes of transportation provide an opportunity for the state to partner with existing private sector interests to identify and potentially address impediments, all of which would improve the flow of goods in Ohio. How we make these intermodal connectors work better should form the basis of any freight transportation policy.

However, a good freight transportation policy should not just look at moving goods quickly; it should target the ways we can make Ohio a more attractive place to do business. Ohio's economy experiences limited benefits from freight simply flowing through the state. We must develop a policy that encourages companies to "open the container" at stops here in Ohio and provide businesses in our state an opportunity to add value along the supply chain.

Ultimately, addressing each of these challenges and seizing each of these opportunities will require us to look beyond the limits of our state's current support of the

transportation system. Dollars are limited and continued inflation means those same dollars purchase less each year. Throughout our nation, states are exploring non-traditional and innovative transportation funding mechanisms. They include toll lanes, public/private partnerships, transportation improvement districts, tax increment financing, and leasing state-owned right-of-ways for utility use.

With us today are representatives of the Department of Public Safety, Highway Patrol, the Public Utilities Commission, the Department of Development, and the Ohio Rail Development Commission. I want to thank them for their assistance in preparing this testimony and to let you know that we are all here to address any questions the task force has for us.

Thank you.

Mr. Chairman and members of the committee, my name is Matt Dietrich and I am here representing the Ohio Rail Development Commission. Before we discuss freight, I would like to give you a brief background of the Commission.

In 1994, the Ohio General Assembly formed the Ohio Rail Development Commission (ORDC) as an independent agency within the Department of Transportation to develop, promote, and support safe, adequate, and efficient rail service throughout the state. (ORC 4981.03) ORDC's mission is "To plan, promote and implement the improved movement of people and goods faster and safer on a rail transportation system connecting Ohio to the nation and the world." We see Ohio's rail transportation system as an integral part of an intermodal transportation network enhancing Ohioans' economic development and quality of life. As an independent agency, ORDC works closely with other transportation and development agencies at the federal, state and local levels to accomplish our goals.

We were established because the rail industry has been important to the economic growth of Ohio almost from the start. While the physical plant of the rail industry might be diminishing, improvements in locomotive and dispatching technologies have resulted in an industry that is handling more cargo than ever. The American Association of Railroads reports that since 1980, ton-miles of rail freight (one ton of freight moved one mile) has doubled and the density of train traffic measured in ton-miles per mile of track has tripled.

Just last month, the American Association of Railroads completed the National Rail Freight Infrastructure Capacity and Investment Study. This study was requested by the National Surface Transportation Policy and Revenue Study Commission, a Commission charged by Congress to plan for improvements of the nation's surface transportation system. That study was a wealth of information but there are two elements that I would like to point out to the Committee. First is the cost of logistics to this country. Since 1980, logistics costs have been declining reaching a low of 8.6% of GDP in 2003. But now they are again on the rise. In 2006, they were 9.9% of GDP.

The second item is the cost of rail infrastructure necessary to meet projected growth. The study estimates that the rail infrastructure of the nation will require $148 billion for the entire rail industry (2007 dollars) and $135 billion for the Class 1 railroads in the next 28 years just to keep pace with economic growth and the U.S. DOTs forecast demand. It further estimates that given the financial capacity of the Class 1 railroads, they can only generate $96 billion through increased earnings leaving a $39 billion gap.

How important is this funding gap to Ohio? There are couple ways to approach that question. First there is the economic aspect. Railroads are private companies in competition with private trucking companies and sometimes private barge companies. Transportation is no different than any other industry: More competition equals better prices. While specific rail rates can vary greatly based on commodity and length of move, below are some "rules of thumb" cost savings of rail over truck:

- Penny per pound on plastics
- Ten cents per bushel on corn (at least pre-ethanol)
- Fifty to One Hundred dollars per intermodal container.

As an example, a 450,000 unit capacity facility like the railroads are planning in Columbus would equate to about $22,500,000 to $45,000,000 annual savings to companies in Central Ohio.

The second way to look at the issue is the costs in congestion and air quality to the state. Consider the following facts from the recently completed Ohio Freight Rail Chokepoint Study conducted by ODOT. In 2005, Ohio railroads originated 69 million tons and terminated 98 million tons of freight. When through-state moves are included, Ohio railroads handled 315 million tons or 6.8 million carloads in Ohio. If that freight was on trucks it would equate to an additional 20 million trucks using Ohio's roadways. Members of the Committee railroads have been, still are and will continue to be a critical element to this state's infrastructure.

The question becomes, what is the appropriate way for the state to interact with these vital but private transportation companies. Unlike any other mode of transportation, the railroads, for the most part, own their right of way and infrastructure. That is a different model then the traditional publicly owned roadways, waterways, or airports. That difference has provided the opportunity for creativity. For the ORDC, that has been working in public-private partnerships. Since the late 1970's, ORDC and its predecessor agencies have been working in public-private partnerships with railroads, communities, non-profit corporations and businesses on rail projects. Just since FY 2001, ORDC freight rail programs have positively impacted over 156,000 jobs, preserved and rehabilitated 293 miles of rail line, and helped secure the movement of over 120,000 carloads of freight in Ohio. This fiscal year we are hoping to use our grant fund to leverage approximately $70.4-million of additional investment of private sector dollars in Ohio's rail infrastructure, create 673 new jobs, retain 651 existing jobs and preserve and rehabilitate 43.5 miles of Ohio rail lines.

We are currently working on several large projects of interest:

- Proposed CSX "Block Swap" and Intermodal Yard in North Baltimore, Ohio which will provide an expedited movement of freight through the Chicago area and allow CSX to build intermodal trains in a type of "hub and spoke" system for direct rail service to other Ohio intermodal yards as opposed to the traditional drayage moves.
- Proposed CSX South Columbus Yard similar in size and scope to the NS Rickenbacker project will provide much needed intermodal service to the currently under-served Central Ohio market.
- The NS Heartland Corridor Project between Columbus, Ohio and Norfolk, Virginia continues which will allow double-stack container access to the Rickenbacker yard from Atlantic Coast Ports.
- Marion Intermodal Center has become the "Little Yard That Could". A former army depot with extensive rail infrastructure, a creative local developer has been able to create a very unique intermodal yard that has dedicated CSX trains serving one trucking company. The company projects that it could hit 90,000 lifts this year.

Each one of these projects requires creativity and truly building a partnership between local, state and federal officials and the private sector. But in each case, the payoff for the state is enormous in terms of building an infrastructure that serves the 21st century needs of the state.

I recall once hearing a presentation by a traffic manager from a major steel company in the state in which he stated in no uncertain terms that his job did not add to the company's bottom line but rather transportation costs were a cost of doing business, and his job was to do whatever he could to minimize those costs. For me that drove home the idea of how critical an efficient and cost-effective transportation infrastructure is to the state's economy.

While both the committee members here as well as witnesses such as myself testifying all bring our experiences and preferences to this meeting, the truth of the matter is that this committee is not here to discuss trucks, trains, boats or airplanes, it is here because moving freight effectively and efficiently is absolutely necessary for the economic survival of our state. I applaud the efforts of this committee and I hope that it can continue to break from the traditional "smokestack" approach of looking at each of the transportation modes in isolation. In order for our state's economy to move forward those of us in the public sector need to step back and not temper our decisions by programmatic or funding restrictions, but rather determine what we, as a state, should be doing for the long term well-being of Ohio. Then we can set about to use our collective resources and creativity to achieve those goals.

The Rail Commission is ready to be a part of that effort. We look forward to continuing and advancing our partnership our sister agencies, ODOT and Development, the Governor's Office and the General Assembly. Thank you for the opportunity to speak today.

Testimony of the Ohio Department of Development,
before the Ohio Transportation Task Force
Wednesday, October 24, 2007

Kimberly A. Gibson – Special Assistant for Energy, Transportation & Regional Collaboration

Good afternoon, Mr. Chairman and my colleagues on the committee. You have already heard testimony from ODOT Director Beasley and ORDC Executive Director Matt Dietrich about the state of our transportation network. I stand before you today to discuss the powerful trends impacting how businesses use that transportation network and ultimately pose questions about the future needs for freight.

I want to open my comments with a brief statement on the logistics cluster in Ohio and begin with a definition. ***Logistics*** *is the movement and storage of goods from the beginning to the end of the supply chain.*

The logistics cluster consists of users of the many aspects of Ohio's transportation network – air, rail, water and highway. It includes those actors which move, store and package and handle freight. Ohio is a leader in this industry in several key categories – the state ranks third based on the value of outbound and inbound shipments ($907 billion) and first in the value of outbound trucking shipments ($244 billion).

There are two frequently cited reasons for these top rankings. First, Ohio is the third largest manufacturing state. Second, Ohio is equidistant from Northeast, Midwest, and Southeast population concentrations. Shippers can access 60 percent of the U.S. (and Canadian) populations and 62 percent of the nation's manufacturing operations and retail stores within 600 miles (1,000 kilometers) of the state's borders.

Highway

Ohio has the 7th largest highway system (124.8 thousand miles) and the 4th largest interstate system (1,574 miles).

Three-fourths of the value of shipments originating from Ohio and nearly three-fourths of all shipments on a tonnage basis travel by truck.

Ohio's trucking industry ranks 4th among the fifty states based on total economic output ($5.2 billion).

Rail

Ohio ranks 4th in rail miles (5,354), and its rail industry ranks 4th in economic output ($1.3 billion).

By weight, the leading commodities originating in Ohio and traveling by rail are: metal products, coal, metallic ores, and farm products.

Air

Ohio has the largest private and public air cargo facilities in the world - DHL/Airborne Express and Rickenbacker in central Ohio.

DHL's national sort facility is located in Wilmington, just outside of Cincinnati. BAX Global's international hub is based at the Toledo Express Airport.

Water

Ohio has 700 miles of navigable waterways leading to the Gulf of Mexico and the St Lawrence Seaway. The state ranks 5th in waterborne domestic tonnage (102 million short tons), according to the Army Corps of Engineers.

Transportation and Warehousing

- Transportation and warehousing (NAICS 48 & 49) employs 183 thousand Ohio workers and is the industry most closely aligned with logistics.
- It is a $12 billion industry, which comprises 3.6 percent of the state's gross domestic product—a percentage which matches the industry's share of U.S. GDP.
- Since 2003, the industry has experienced steady growth, adding 21.5 thousand workers. State labor projections indicate continued growth with an average net addition of 2,000 workers a year through 2014.

Key sectors

- **Trucking** is the largest sector, employing 67.3 thousand workers at 4,706 business establishments.
- 23 thousand drivers work for long-distance truckload carriers; 15 thousand for long-distance, less-than-truckload carriers; and 4 thousand for specialized carriers.
- Trucking contributes $5.2 billion to the state's economy. Ohio ranks 4th, among the 50 states, in the value of trucking output.
- Ohio also ranks 4th in **rail transportation**—a $1.3 billion industry that employs 8.8 thousand Ohio workers.
- Public **warehousing** employs 29.9 thousand Ohio workers and is a $1.2 billion industry. Warehousing is the fastest growing transportation sector, adding 8,600 jobs from 2002 through 2005—a 41 percent increase.

A broader view of the logistics industry

- Many logistics operations are classified under manufacturing or service-producing industries such as retail and wholesale trade. Retailers, such as Wal-Mart and Target, operate distribution facilities that are among the largest in the state.
- An alternative and broader measure of the size and importance of logistics is to look at the 457 thousand workers in transportation and material handling occupations. They comprise 7.8 percent of the state's workforce.
- This total includes 111 thousand truck drivers that work for an employer. An additional 20 thousand drivers are self-employed.

Recent projects

- 580 major distribution-related projects were announced during the last six years. Collectively, these 580 projects involve 47 million square feet; $3.3 billion in capital investment; and 21,500 new jobs (based on data collected by the Ohio Department of Development).

- Recent distribution projects involving 500 thousand or more square feet include: **Kohl's** (Monroe); **Toy 'R' US** (Groveport); **Procter & Gamble** (Lima); **Abercrombie & Fitch** (New Albany); **Steve & Barry's** (Columbus); **Menards** (Holiday City); and **DHL/ABX Air** (Wilmington).

See USDOT Maps on Freight Movement:

Proximity

The Ohio Department of Development works with companies from all industry sectors to locate and expand businesses in Ohio. Without exception, CEO's cite proximity to an interstate highway as a critical factor in their business location decisions. According to Area Development Magazine, a recognized resource in the site selection field – Annual Survey of Corporate CEOS' 2005 indicated that Highway accessibility most important factor influencing business location, trumping labor cost and availability of skilled labor and ranking higher than state and local tax incentives.

Reliability

The reliability of the transportation system—enabling goods to get where they need to go, and to arrive when they need to be there—is now recognized as a very important performance indicator. Unexpected delays can increase the cost of transporting goods by 50 to 250 percent (USDOT FHWA 2001). Shippers, particularly those employing just-in-time management techniques expect freight carriers to deliver goods on time and undamaged.

Efficient and reliable goods enables businesses to respond quickly to changes in consumer demand, to shorten product cycle times, and to reduce inventory. The Council of Supply Chain Management estimates that since 1991 inventory costs have declined by about 60 percent (The Economist 2006). The reliability of the transportation system influences logistics decisions, such as the number and location of manufacturing plants and distribution centers, which in turn affect regional, state, and local economies.

Proximity and Reliability of Ohio's transportation network are a key component to the performance of our entire economy.

Trends Shaping the Movement of Freight

The relationship between shippers, customers, and the transportation sector is shifting. Businesses are requiring different transportation services, with greater focus on providing customized, mass-market products and services. To meet new production and distribution models, companies require manufacture-to-order and time-definite-delivery schedules.

Furthermore, e-commerce and e-business underscore the evolution of carrier-shipper relationship from costs to service requirements.

E-commerce

For example, web-based retailing offers consumers a way to purchase more goods in less time. However, this imposes a heavy burden on the transportation network to ensure delivery in a timely manner. Both e-commerce and e-business, which reduce the transaction costs of marketing and distribution, allow small companies to participate in global markets. If these trends continue, it is possible that the industry could expect to see more frequent yet smaller shipment sizes. What impact does this trend have on the transportation network and the overall movement of freight?

Manufacture-to Order

Some logistics analysts believe the shift is apparent in heavy industrial sectors, such as automotive. J. Ferron, a partner at PricewaterhouseCoopers in Detroit believes that:

"Consumer demand is forcing automakers to shift from a supply chain where they "push" inventory to dealerships to one where consumers "pull" product. To compete, manufacturers will need to operate with a lower cost structure and more agility." (Logistics Management & Distribution Report. January 1, 1999)

To answer demand, manufacturers are shifting to "customized, mass-market products" along with associated services such as training and maintenance. According to a USDOT Survey, "The General Electric (GE) companies are increasingly concerned with service agreements related to their appliances. General Motors (GM) seeks ways to deliver new cars to the consumer within a few days and to provide convenient locations to purchase GM parts. The availability and convenience of parts can be more important to customers than the price.

This example demonstrates how in a service economy, distribution and delivery is a feature of the product, and carriers as well as producers must coordinate more than ever before to meet the needs and desires of their customers.

Two fundamental questions emerge:

- Will the transportation sector be able to meet the raised standards demanded by both the manufacturing and service economy?
- Will Ohioans be willing and able to provide the resources required for efficient transportation services?

ODOD Programs Provide for Infrastructure Improvements

The Ohio Department of Development has two programs that provide for the expansion of jobs and opportunity in the state of Ohio specifically through road and rail infrastructure improvements.

The Roadwork Improvement (629) Fund is a grant program that provides assistance to communities for road improvement projects that facilitate new investments and job creation and retention. The 629 grant is funded with gas tax revenues and consequently is restricted to public road projects only. The goal of the Roadwork Development (629) fund assists with public infrastructure improvement that will enable companies to create and retain jobs in Ohio and make new private investments. Progress is measured in the number of jobs created and retained, the wages of new and retained jobs, and the amount of capital investment made by private companies in Ohio. This program allows communities, and

consequently the State, to be more attractive locations as they ensure the required infrastructure is in place for companies to locate and grow in Ohio. ODOD will typically pay for up to 50 percent of the roadwork costs up to $1,000 per job, and most often local communities combine their financial resources to ensure the most effective use of the funds.

In recent years the Roadwork Improvement Fund has been used to assist with 207 roadwork projects across the State of Ohio, helping to secure more than $5.1 billion in new investments that helped create 21,635 new jobs and retain 43,940 jobs.

The Rapid Outreach Grant (412) program can be used for a number of purposes including providing for up to 50% of off-site infrastructure costs up to approximately $1,000 per job for projects paying $18.00 per hour or more, or a smaller percentage for projects with a lower hourly wage. The off-site or public infrastructure improvements can include water and sewer line extensions, and rail line upgrades such as rail spurs.

In **FY2006**, 68 companies/communities received the 412 grants, generating over $2.3 billion in capital investments; creating approximately 6,408 new full-time jobs with an average hourly wage of $19.70; and retaining approximately 26,214 jobs.

Solutions

The strains placed on Ohio's transportation system by increases in freight and passenger movements require both long-term and short-term actions. In some cases, freight congestion and delay can only be addressed by adding capacity. In other cases, changes in the operations and management of the system are key.

In the public sector, strategies focus on addressing the causes of congestion such as incidents and work zones and better demand management. In the private sector, strategies target operational changes such as shifting hours of operations, optimizing route selection (e.g., comparing travel times of the shortest route with a longer less-direct route), improving shipment planning (e.g. shipper providing more precise information on load times, weights), and load optimization.

Future success in addressing the transportation system needs will require development of a systematic approach for identifying priorities and allocating scarce resources to projects that will have the greatest impact. This Task Force has a substantial challenge ahead of it to tackle these issues and provide a meaningful product on which to base future decisions. Ohio businesses are counting on our response to these challenges and the Ohio Department of Development is ready to assist our partners within and outside of government to accomplish this task.

Thank You.

OHIO TRANSPORTATION TASK FORCE

"The benefits of public investment in transportation infrastructure"

The Freight Railroad Industry Perspective

October 24, 2007

Through Ohio pass some of the busiest transportation corridors in the nation. The great Eastern US toll road system passes through northern Ohio via the Ohio Turnpike, carrying some of the heaviest concentrations of toll road truck traffic in the country. Parallel to the turnpikes run great rail corridors directly connecting Ohio and points west to the Ports of Boston, New York, Philadelphia, Baltimore, and Norfolk. More and more of the freight traffic that used to ride on the highway via truck is now being transported via railroads using intermodal container service, an increasingly favored method of freight transportation and therefore heavily utilized by many different shippers. In addition to the thousands of containers that move weekly on these great rail networks to intermodal yards around the Midwest, fully 40% of total intercity freight ton/miles moves via railroads. In fact, railroads are moving more freight today than ever. But for all this freight moved, railroads are receiving only 10% of the total freight transportation revenues.

That percentage supports the reputation that rail has long enjoyed as the lowest cost method for moving freight overland. Based on revenue per ton-mile, it costs 18% less to move freight by rail in 2005 than it did in 1981, and 57% less in inflation-adjusted terms. As rail capacity has tightened over the past few years, and as fuel and material costs have risen, rates have begun to rise. By building systems that are more efficient, more capable, and more competitive with other freight options than ever before, freight railroad companies have not only survived but **thrived** to arrive today on the doorstep of what many national transportation economists refer to as the "Rail Renaissance", a re-awakened appreciation for the capabilities, benefits and value of freight rail transportation.

This "Renaissance" has led several states to establish partnership projects with railroad companies in recognition of the public benefits that accrue with successful rail operations. New York, Pennsylvania, and Virginia have each established long-term programs to continue to assist the freight railroads with infrastructure improvements dedicated to a safer and more efficient freight transportation system in those states. These states have also worked creatively to establish regional partnerships with each other and additional states to address mega- transportation corridor freight rail issues. It's planning on a scale that is breath taking, expensive, and absolutely necessary. In recent years, this type of planning has reached Ohio.

The Norfolk Southern's Heartland Corridor is the first example of a specific interstate rail corridor project in Ohio being labeled a "Project of National Significance". While the Heartland Corridor is the largest rail capacity expansion and improvement project underway in Ohio, it's but one example of the planning and investment being made in partnership between railroads and governments to provide for our country's growing needs.

In many of our counties, the biggest freight rail improvements that are taking place are being constructed on what are generically referred to as "shortline" (or Federal Railroad Administration-designated Class II and III) railroads. (The much larger multi-state railroads serving many of these same counties, CSX and Norfolk Southern, are similarly referred to as Class I railroads.) The shortlines are sometimes the only railroad serving a county, let alone a single community. Most of these shortlines owe their existence today to the partnership they established with Ohio state government through ODOT's Rail Division back in the late '80s and early '90s. The public benefits, indeed, the necessity of rail service for many industries, and the promise of future economic development induced the state to assist entrepreneurs to obtain these rail lines from the larger, older railroads that had decided to abandon them due to their revenues not meeting the demands of their ongoing operating and maintenance costs. While federal deregulation of the rail industry started this ball rolling, it was the active involvement of the state which kept alive many of these corridors and helped to establish railroads like the Ohio Central System, the Wheeling and Lake Erie, and the Indiana and Ohio as significant members of Ohio's transportation economy.

Combined, shortlines play a larger part in the percentage of total freight moved by rail than any single railroad. Nationally, the Class II/IIIs are responsible for originating or terminating about one-third of the freight moved by rail. While none of these railroads are building a project as great in scope as the Norfolk Southern's Heartland Corridor, the rail expansions and improvements made by shortlines will be major local economic development opportunities. And their investments are significant. For example, the Wheeling and Lake Erie Railway, based in Brewster, Ohio has invested $33 million dollars over the past five years in its infrastructure and equipment needs. Other shortlines have invested millions more in Ohio rail infrastructure.

These projects, large and small, are often being built as public/private partnerships because the public agencies involved understand that there are significant and measurable benefits to be derived by the public as a result of these improvements. The rehabilitation of railroad tracks has led directly to the decision to keep and expand a major manufacturing facility in Ohio, retaining the jobs which provide local paychecks and payroll taxes, not to mention lower shipping costs for the employer. A new rail spur to an agribusiness or steel making facility could be the catalyst for reducing the number of heavy trucks on the local roads, which would mean, long term, less wear and tear on local roads, and lower repair and maintenance costs for the local road authority, and short term, less congested, safer highways and cleaner air because moving freight by

rail is three times more fuel-efficient than by trucks. The benefits should drive the allocation of costs that serves as the basis of the public/private partnership.

The public agencies responsible for making transportation investment decisions should ask the question "What does the public gain?" before making a commitment of scarce resources. Other states have created models to explore the question of public benefits derived from the investment of public dollars into private rail infrastructure. A framework developed by Cambridge Systematics, a leading national transportation consulting firm, for Florida's Department of Transportation includes transportation impacts, economic impacts, and external impacts in developing the benefits and costs of rail infrastructure projects. Transportation impacts include factors such as avoided highway maintenance costs, shipper logistics, and highway delays at grade crossings. Economic impacts include new or retained jobs and tax revenue increases from industrial development. External impacts include highway safety improvements and environmental quality improvements. Once the cost-benefit ratio of a project has been established, it is then a matter of determining where the greatest public benefits lie before selecting projects for public partnership. However, much of the funding available for transportation projects today is constrained by barriers that effectively block any full discussion of public benefits.

The marketplace competition between trucks and rail is very real to railroads. In Ohio, certain "adjustments" made to the rules allowing increased weight limits for trucks carrying specific commodities have led to the transfer of freight from rail to truck, causing significant loss of business for the local railroad and the creation of a unequal marketplace. Nearly every commodity that moves by rail can also move by truck, so cost is an important factor in the shipping equation. In the past, the public benefits of using the private rail system to move freight off of the public highway system has never been a variable in these decisions. These decisions should be re-examined and their public benefits measured in light of the costs they impose. Perhaps in the future consideration should be given to establishing a shipper incentive equal to the public benefit derived to utilize a particular mode for freight transportation.

In addition to our keen attention to our competition with trucks, railroads are also establishing significant business relationships in Ohio and elsewhere with interstate trucking companies. In Ohio, the best known is the Marion Intermodal Facility in Marion, Ohio, a special partnership between Schneider Trucking and CSX. So great is the demand for this type of service, and so well designed and sited is the facility, that the business exceeded projections by 50% in it's first year. A great boon for Marion, this facility is an example of Ohio's central location leading to the investment, and the investment delivering major public benefits to the region like less heavy truck traffic between central Ohio and the lower Midwest (less congestion, less wear and tear, greater fuel efficiency, and savings for shippers). The trucks picking up and delivering containers to the intermodal yard are making shorter trips as well. Intermodal facilities use rail for the long haul and trucks for the local delivery and pickup. While intermodal

facilities will cause truck traffic to increase in a localized area, somewhat smaller trucks will be making shorter trips carrying lighter loads, reducing the long-term impact on the highways. Intermodal rail operations continue to grow at a significant rate, because it provides excellent service and cost savings to the shipper.

Currently, central Ohio's intermodal capacity is very tight, both at the yards and on the rail lines. This capacity squeeze has a cost. At one central Ohio facility, CSX spends more than $2 million a year just for extra storage room for containers. While plans are being developed or implemented to build three new intermodal facilities in Ohio, not all of the projects have reached agreement on the division of costs or benefits. Railroads, as private shareholder-owned companies, make investment decisions where the business can support the investment. Railroads cannot make expenditures that do not meet a reasonable business test, lest they expose themselves to the reactions of shareholders and the capital markets. Nor can railroads simply pick up their tracks and move them elsewhere when a business decides to move. These hard-nosed business realities require railroad managers to take a hard look at the investment in terms of business opportunity and return before making a decision to spend several million dollars short term and several millions more over the years to maintain the property. By comparison, highway users have much more flexible resources to bring to bear on the marketplace.

It takes an enormous amount of money to run our nation's freight rail system. It simply cannot be done on the cheap. And in fact, railroads have long been spending enormous amounts of money on their systems, with the pace of spending trending upward over time. From 1980 through 2005, Class I RRs invested nearly $360 billion (and shortlines spent additional billions) to maintain and improve their infrastructure and equipment. RR investment in itself – that is, capital spending on infrastructure and equipment as well as maintenance spending on infrastructure and equipment – is about $15 billion-$17 billion per year, or more than 40 cents out of every revenue dollar. Spending on a per-mile basis has been trending upward, a reflection of the diligence with which railroads address capacity and service issues.

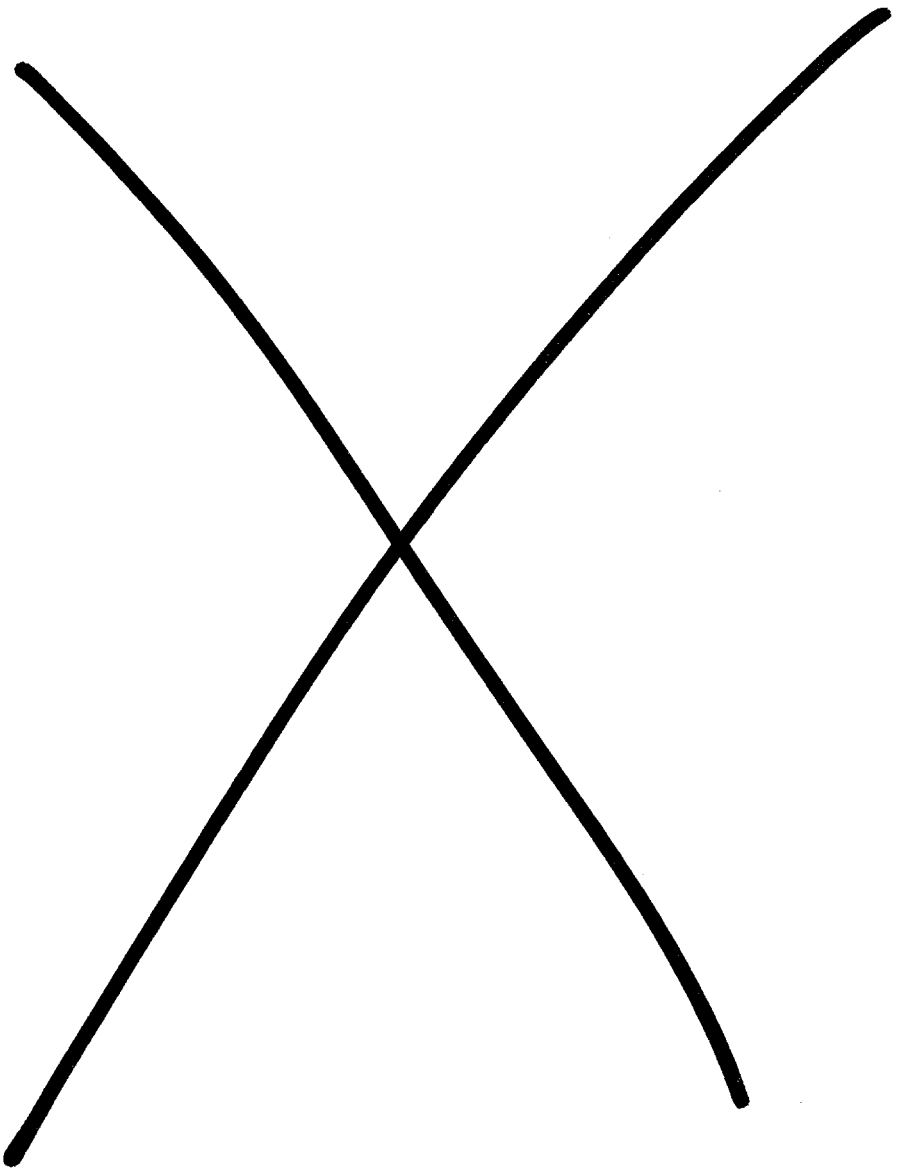
After careful review of the many forecasts predicting significant growth in freight demand, Ohio's freight railroads began more than five years ago to make capacity improvements to prepare for that growth. Hundreds of millions of dollars have already been spent in Ohio completing rail infrastructure expansion projects. Many millions more are in the pipeline. And a new study recently released by the Ohio Department of Transportation outlines 30 capacity expansion projects on nine different railroads (totaling more than $1.1 billion) that are needed in the next five years to improve railroad operating efficiencies and deliver benefits to the state, to shippers, and to railroads.

This is in line with another recently released national study of rail infrastructure needs which reports that new rail infrastructure needs over the next 30 years will total more than $135 billion. Railroads are estimated to be able to provide as much as $96 billion of this total. That leaves a $39 billion gap that must be addressed. The study predicts the annual shortfall at approximately $1.4 billion over each of the next 30 years. The result of not making this investment in rail infrastructure will likely mean, if freight demand forecasts are accurate, severe congestion on about one third of the country's key rail corridors. This outcome will send thousands of additional trucks onto our nation's already strained highway system. The study provides details on the benefits similar to those I have already shared. It also depicts a national freight transportation system that will be on the edge of failure if these investments are not forthcoming.

Now is not only the time for the serious consideration of these studies, assertions, and predictions of growth in demand for freight transportation. Now is the time for action. The recommendations this Task Force makes will be useful in developing a plan to address Ohio's specific freight challenges, but our eventual report must be supported by reasoned and timely action. Where private benefits are derived, the private entities should participate in paying for those benefits. And the public should pay for the benefits they derive. Establishing a method of negotiating these cost-shares in an environment based on mutually accepted terms and benefits should result in delivering a freight transportation system that is robust, efficient, and adequate to address the growing needs of our national, state, and local economies.

PUBLIC BENEFITS DERIVED FROM INVESTMENT IN RAIL INFRASTRUCTURE

Environmental: Because railroads are three or more times more fuel efficent than trucks, railroads emit three or more times less CO2 than trucks for the same transportation service. Moreover, railroad fuel efficiency has steadily improved. In 2005, US freight railroads consumed 3.1 billion fewer gallons of diesel fuel – and emitted 35 million fewer tons of carbon dioxide – than they would have if their fuel efficiency had remained constant since 1980. Today, a modern locomotive can move, on average, a ton of freight 414 miles per gallon of fuel, up from 235 miles in 1980. If just 10% of the freight that moves by highway instead moved by rail, fuel savings would approach one billion gallons per year.

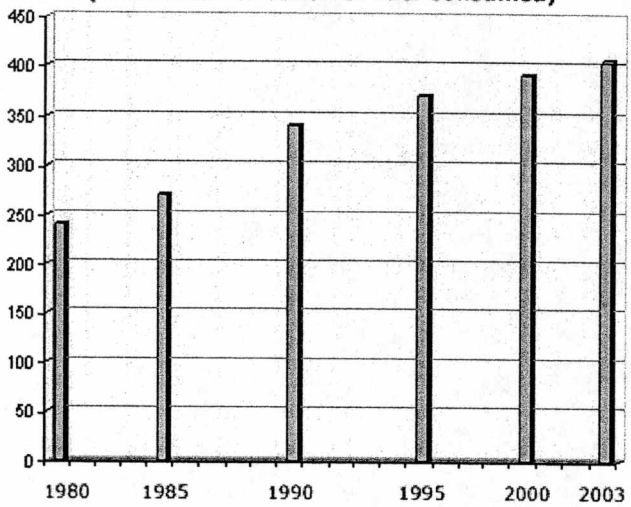


O·H·I·O
ENVIRONMENTAL
COUNCIL

Rail and the Environment

1207 Grandview Avenue, Suite 201 Columbus, Ohio 43212-3449 (614) 487-7506 fax (614) 487-7510 www.theOEC.org

Gains in Railroad Fuel Efficiency
(Ton-miles Per Gallon of Fuel Consumed)



Source: Association of American Railroads

When it comes to rail transportation, Ohio is a gateway to America.

Ohio ranks in the top 10 for nearly every freight rail measure, including total track miles, total tons shipped, and total employment and wages.

And when it comes to the environment, rail transport is on track.

Railroads move more tons of freight per mile than any other mode of transportation in America. And they move it using far less energy (3 X less fuel use than trucks); producing far less pollution (of all transportation modes, rail produces only 9% of NOx, 4% of PM, and 2% of greenhouse gas emissions); and reducing far more highway congestion (a single intermodal train can take up to 280 trucks—equivalent to 1,100 cars—off the highway).

Moving freight by rail saves energy, reduces air pollution, lessens America's reliance on foreign oil, takes more trucks off the highway, and gives business and industry more transportation options.

Bottom line: Rail + Ohio = a win-win for business and the environment.

Rail Transportation: The clear choice for fuel efficiency, reduced emissions, lessened highway congestion, and safer transport of hazardous materials

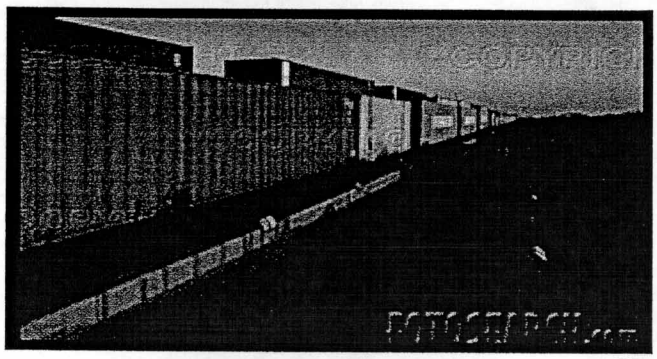
Rail Transportation is Energy Efficient—On average, railroads are three times more fuel efficient than trucks, and railroad fuel efficiency is improving all the time. In 1980, U.S. railroads moved a ton of freight an average of 235 miles per gallon of fuel. In 2002, the comparable figure was 404 miles, a 72 percent increase.

Rail Transportation Emits Fewer Pollutants—The U.S. Environmental Protection Agency (EPA) estimates that for every ton-mile, a typical truck emits roughly three times more nitrogen oxides and particulates than a locomotive. Other studies suggest trucks emit six to 12 times more pollutants per ton-mile than do railroads, depending on the pollutant measured. Railroads also have a clear advantage in terms of greenhouse gas emissions. According to the EPA, railroads account for just 9 percent of total transportation-related NOx emissions and 4 percent of transportation-related particulate emissions, even though they account for 42 percent of the nation's intercity freight ton-miles.

Rail Transportation Alleviates Highway Congestion—A single intermodal train takes up to 280 trucks (equivalent to more than 1,100 cars) off our highways; a train carrying other types of freight takes up to 500 trucks off our highways. Overcrowded highways act as an "inefficiency tax" on our economy, seriously constraining economic growth. Freight railroads help relieve this restriction by reducing gridlock, enhancing mobility, and reducing the pressure to build costly new highways.

Rail Transportation is Safer for Moving Hazardous Materials—Railroads are the safest way to transport hazardous materials. Railroads and trucks carry roughly equal hazmat ton-mileage, but trucks have nearly 16 times more hazmat releases than railroads.

Source: www.NationalAtlas.gov (U.S. Department of the Interior)



Printed on 100% post consumer waste paper.

SENATOR TOM ROBERTS
Assistant Minority Leader
Ohio's 5th Senate District

Committees:
Education
– Ranking Member
Reference
– Ranking Member
Agriculture
Finance
JLEC
Rules
Ways & Means

Joleyne Molitoris
Chairperson, Ohio Rail Development Commission
50 West Broad Street, 15th Floor
Columbus, Ohio 43215

Dear Chairperson,

I am writing to you in full support of the new major rail project in the city of Trotwood. "Project Distribution" is an important step in moving Ohio economy forward. Backed by the city of Trotwood, Ohio Department of Development, and the Ohio Rail Development Commission the project will create 200 new jobs, open up over 90 acres of land to rail related economic development, generate 200 rail cars per year within three years of completion and rehabilitate thousands of feet of existing track. "Project Distribution" will result in an investment of approximately $50 million for a new 400,000 sq. ft. logistics facility.

As Ohio moves forward to invest more in technology and education to pave the way for a new economy it is vital for us to not neglect our existing industrial infrastructure that still provides good jobs for countless Ohioans. "Project Distribution" makes sure that as we labor to improve Ohio's economy no sector is left lagging behind.

The Ohio Rail Development Commission project is contingent upon the formal approval of the Commission therefore, I urge that the Commission you support the commitment. Please do not hesitate to contact my office at 614-466-6247 if I may be of any assistance.

Sincerely,

Tom Roberts

Tom Roberts
Assistant Minority Leader
5th Senatorial District

Ohio Senate
Senate Building, Suite 228
Columbus, Ohio 43215
(614) 466-6247

District
628 Mapleside Drive
Trotwood, Ohio 45426
(937) 854-3088

OHIO RAIL DEVELOPMENT COMMISSION: November 2007 Finance Report

GENERAL REVENUE FUND (GRF) APPROPRIATION AUTHORITY FY 2008

GRF APPROPRIATION AVAILABLE FOR PROJECTS AND PERSONAL SERVICE CONTRACTS			
GRF APPROPRIATION FOR PROJECTS		2,787,243	
LESS: PROJECTS ENCUMBERED or DISBURSED			
TMACOG - Freight Conference	5,000		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED			
WLE Carrolton Branch Tunnel Clearance	150,000		
TOTAL	*155,000*	*-155,000*	
PROPOSED GRF COMMITMENTS FOR FY 2008			
Trotwood - Auto Logistics Project	200,000		
TOTAL	*200,000*	*-200,000*	
BALANCE OF GRF APPROPRIATION FOR PROJECTS		***2,432,243***	
GRF APPROPRIATION FOR PERSONAL SERVICE CONTRACTS		**49,796**	
Highway-Railroad Safety Consulting, LLC	15,000		
Capital Partnerships, LLC	7,725		
Capital Partnerships, LLC	1,545		
TOTAL	*24,270*	*-24,270*	
BALANCE OF GRF APPROPRIATION - PERSONAL SERVICE CONTRACTS		***25,526***	
RAIL FUND 4N4 - REVOLVING LOAN FUND			**6,318,465**
LESS: OPEN ENCUMBRANCES	3,268,000		
LESS: PANHANDLE RESERVE FUND	764,400		
TOTAL	*4,032,400*		*-4,032,400*
FISCAL YEAR 2008 APPROPRIATION		**2,111,500**	
LESS: PAYROLL FROM LOAN AND LICENSE FEES (Budgeted)	174,424		
LESS: OPEN ENCUMBRANCES FY 2008			
GOE Lima, LLC	1,000,000		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED			
TOTAL	*1,174,424*	*-1,174,424*	*-1,174,424*
APPROPRIATION BALANCE OF FUND 4N4 AVAILABLE FOR PROJECTS		***937,076***	
BALANCE OF FUND 4N4 AVAILABLEW/ CONTROLLING BOARD APPROVAL			***1,111,641***
TOTAL ORDC FUNDS AVAILABLE FOR PROJECTS - FY 2007		**3,419,115**	

OHIO RAIL DEVELOPMENT COMMISSION
APPROPRIATION LEDGER
For Month ending October 31, 2007

FUND	SAC	FEDERAL STATE/OTHER	ORIGINAL APPROPRIATION	TRANSFERS	UNASSIGNED	ADJUSTED APPROPRIATION	OPEN ENCUMBRANCES	TOTAL DISBURSED	UNENCUMBERED BALANCE	PERCENT UNOBLIGATED	SAC DEFINITION
GRF	4FA5	STATE	1,391,122.00	5,000.00	0.00	1,396,122.00	5,000.00	0.00	1,391,122.00	99.64%	GRANT (Community/Railroad) - SUBSIDY
GRF	4FA7	STATE	1,391,121.00	0.00	0.00	1,391,121.00	0.00	0.00	1,391,121.00	100.00%	GRANT (Private Industry) - CAPITAL
GRF	4651	STATE	680,257.00	(14,400.00)	0.00	665,857.00	17,761.20	235,646.85	412,448.95	61.94%	PAYROLL / PERSONAL SERVICE
GRF	4652	STATE	235,000.00	9,400.00	0.00	244,400.00	58,567.05	49,245.13	136,587.82	55.89%	OFFICE EXPENSE
GRF	4653	STATE	2,500.00	0.00	0.00	2,500.00	0.00	0.00	2,500.00	100.00%	OFFICE EQUIPMENT
	FUND TOTAL		**3,700,000.00**	**0.00**	**0.00**	**3,700,000.00**	**81,328.25**	**284,891.98**	**3,333,779.77**	**90.10%**	**FUND TOTAL - GRF**
7002	4FN7	FEDERAL	1,481,742.00	7,963,877.00	0.00	9,445,619.00	620,931.39	130,951.15	8,693,736.46	92.04%	GRADE CROSSING PAVEMENT
7002	4FP1	FEDERAL	518,258.00	0.00	0.00	518,258.00	0.00	185,362.14	332,895.86	64.23%	GRADE CROSSING SAFETY'S PAYROLL
7002	4FP7	FEDERAL	13,000,000.00	(2,304,711.59)	109,148.22	10,695,288.41	4,058,067.14	391,508.57	6,136,564.48	57.38%	GRADE CROSSING DEVICES
	FUND TOTAL		**15,000,000.00**	**5,659,165.41**	**109,148.22**	**20,659,165.41**	**4,678,998.53**	**707,821.86**	**15,163,196.80**	**73.40%**	**FUND TOTAL - 002**
3B90	8FB5	FEDERAL	10,000.00	0.00	0.00	10,000.00	0.00	0.00	10,000.00	100.00%	FEDERAL RAIL - SUBSIDY
	FUND TOTAL		**10,000.00**	**0.00**	**0.00**	**10,000.00**	**0.00**	**0.00**	**10,000.00**	**100.00%**	**FUND TOTAL - 3B9**
4N40	6FC9	OTHER	1,937,076.00	0.00	0.00	1,937,076.00	1,000,000.00	0.00	937,076.00	48.38%	RAIL TRAN - LOANS
4N40	6FD9	STATE	762,500.00	0.00	0.00	762,500.00	0.00	0.00	762,500.00	100.00%	PANHANDLE LEASE PAYMENT
4N40	6111	STATE	174,424.00	0.00	0.00	174,424.00	0.00	45,222.88	129,201.12	74.07%	PAYROLL(PROPERTY MGNT)
	FUND TOTAL		**2,874,000.00**	**0.00**	**0.00**	**2,874,000.00**	**1,000,000.00**	**45,222.88**	**1,828,777.12**	**63.63%**	**TOTAL - OTHER ASSISTANCE**
	GRAND TOTAL		**21,584,000.00**	**5,659,165.41**	**109,148.22**	**27,243,165.41**	**5,760,326.78**	**1,037,936.72**	**20,335,753.69**	**74.65%**	

ORDC - Loan Payback (Active Loans)
November 1, 2007

	Loans	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Application, Loan, Interest & Admin. Fees	Total Payments
FY03 Cloverleaf Cold Storage *	$328,000	$33,662								*$14,900*	*$342,900*
FY03 Portage Cty Solid Wst Mgmt. *	$80,000	$16,495	$16,495	$16,495	$9,622					*$3,279*	*$83,279*
FY04 Ann Arbor Railroad *	$768,736	$162,274	$81,137							*$42,295*	*$811,031*
FY04 Columbiana County Port Authority *	$2,098,047	$344,959	$280,308	$284,610	$288,912	$288,912	$288,912	$144,456		*$106,035*	*$2,204,081*
FY04 W&LE (Valley Line)*	$400,000	$10,680	$408,900							*$57,277*	*$457,277*
FY04 Maumee & Western *	$199,088	$29,392	$29,502	$29,502	$29,502	$17,209				*$8,460*	*$207,548*
FY05 Seneca-Sandusky-Tiffin Port Auth*	$290,000	$61,217	$61,217	$61,217	$10,203					*$16,267*	*$306,267*
FY05 Ashland RW (Mansfield Yard Rehab)*	$500,000	$106,935	$106,935	$106,935	$8,911					*$41,285*	*$541,285*
FY05 I&O (Fulton County Processing, Ltd)*	$242,335	$52,681	$52,681	$52,681	$8,780					*$24,266*	*$266,601*
FY06 Portage County Rail Line (Smurfit Stone)*	$20,000	$4,348	$4,348	$4,348	$2,174					*$2,489*	*$22,489*
FY07 Marion Industrial Center *	$273,000	$13,650	$63,066	$67,300	$67,300	$67,300	$22,433			*$31,548*	*$304,548*
FY07 WESTCO ***	$315,000	$26,250	$45,000	$48,834	$51,573	$51,573	$51,573	$51,573	$21,489	*$38,496*	*$353,496*
FY07 Greater Ohio Ethanol ***	$1,000,000	$83,333	$142,857	$154,270	$162,422	$162,422	$162,422	$162,422	$67,676	*$108,324*	*$1,108,324*
FY06 Harrison Ethanol ***	$500,000										
FY06 Wheeling & Lake Erie ***	$150,000										
FY07 Village of Leipsic ***	$825,000										
FY07 Warrenton River Terminal ***	$200,000										
FY07 Wheeling & Lake Erie ***	$378,000										
	$8,567,206	**$945,876**	**$1,292,445**	**$826,190**	**$639,398**	**$587,416**	**$525,340**	**$358,451**	**$89,165**	*$494,920*	*$7,009,126*

Loan Amount Received to Date: **$384,051**
Loan Balance Due: **$452,241**

*Loans Active
**Loans Paid Off
***Loans in Process

ACCOMPLISHMENTS REPORT
PLANNING, PROJECT DEVELOPMENT, AND TRACK INSPECTION
September 6 to October 31, 2007

PLANNER	DEVELOPMENT SPECIALISTS
Don Damron	**Lou Jannazo**
	Bev Lee

TRACK INSPECTION

- Inspection trip/field survey proposed new auto distribution/logistics plant site in Trotwood; partial inspection of City of Dayton line serving Trotwood site.
- Inspection trip/field survey of possible new rail improvements for Midwest Docks at Toledo port and at nearby industrial development site.

ADMINISTRATIVE

- Staffed new Commission sub committee on the Panhandle lease for two meetings; helped Director draft "straw man" 25 year lease; met with C&OR on lease issues; wrote report requested by sub-committee on why each section of the current operating agreement is included in the document; responded to sub committee request to outline issues where ORDC and C&OR do not agree.
- Helped write questions for Secretary-Treasurer interviews; helped conduct first round of interviews; helped select candidates for second round interviews.
- Helped prepare agendas and briefing packets for November 8, 2007 meeting.
- Developed grant agreements for projects approved at September meeting.
- Did grant agreement amendments to extend time for select projects and to reflect changes in scopes of work and termination dates.
- Did OEPA and Ohio Taxation background checks on September grant recipients.

TRAINING

- All staff participated in training on handling sensitive state information.

FREIGHT PROJECT DEVELOPMENT AND IMPLEMENTATION

New Project Development/Continued Project Development

- Finalized the Trotwood auto logistics spur project to be presented at November meeting.
- Began investigations into new spur projects including Siligan Plastics in Ottawa, Case Farms in Stark County, Whirlpool at Rickenbacker, and the Midwest Terminals in Toledo.
- Began investigations into new short line rehabilitation projects including upgrading the RJC Dover Line and repairing crossing surfaces on the ORDC/Ohi-Rail Piney Fork.
- Continued working with shippers (Bunge, D&D Ingredients, National Lime and Stone), local Delphos area officials, and RailAmerica, to improve rail logistics for the shippers and the community; outlined all of the issues involved and conducted conference call to discuss all issues.
- Continued working with Allen County on issue of resolving how to get new Alpla spur across three gas lines in a cost effective manner. (ORDC approved funding of $75,000 in grant funds for the siding.) Gas line costs could add several hundred thousand dollars of costs to the spur, money which has not yet been raised.

- Continued working and attending meetings with Warren & Trumbull RR, Mahoning Valley Economic Development Corporation - MVEDC (owner of track W&TRR operates on) and Warren Steel Holding to develop funding to repair MVEDC line and provide needed on-site rail for Warren Steel to reopen closed steel mill.
- Continued working with W&LE, Carroll County, rail line shippers, and others on getting the Carrollton Branch repaired. Wrote commitment letter to W&LE for $250,000 in grant assistance contingent upon W&LE investing $250,000 and local communities raising $500,000 in State CDBG funding and closing several crossings. Track repair project will probably be presented to Commission in January.

PASSENGER PLANNING

Ohio Hub

- Developed briefing and presentation on Ohio Hub Gem and Tems economic impact studies for Governor's office and ODOD officials. (Excellent job by Don Damron!)
- Arranged and participated in a meeting with FRA to discuss getting the entire Ohio Hub designated as a Federal High Speed Rail Corridor.
- Updated and improved the Ohio Hub web site.
- Continued work and coordination with other states and railroads on Ohio Hub Study.
- Continued with various meetings and presentations on Ohio Hub plan including presentations to OKI and the Ohio Planning Conference.

Other Passenger Initiative

- Continued coordination with the MWRRI study effort by participating in meetings and calls.
- Continued on Ohio Hub passenger station development issues in Toledo and Cincinnati.
- Continued supporting local efforts to develop passenger service, particularly in Athens and west Cleveland.
- Kept abreast of passenger issues in across Ohio and nationally through participation in the States for Passenger Rail.

Excursion Services:

- Met with Dennison Depot representatives on long term solutions to the issue of the Polar Express and other Dennison Depot excursions.
- Helping Buckeye Central Scenic find temporary storage for its equipment. (Buckeye has been evicted from its operations in Jacksontown by the Evans Foundation.) Helped draft a lease for storing Buckeye equipment on the ORDC Glass Rock Branch. Suggesting places where Buckeye might find a permanent home. Buckeye is looking at trying to establish an excursion service on the Glass Rock Branch.

OTHER PLANNING INITIATIVES

- Participated in SCORT meeting in Biloxi, Mississippi and provided full report.
- Gave presentation at TMACOG, ODOT, ORDC first annual "Ohio Freight Conference" and participated in the two day event.

MISCELLANEOUS

- Developed special "Contingent Interest" agreement with the Ohio Central and Cambridge-Guernsey CIC to enable CIC to transfer the ORDC contingent interest in the Byesville to Derwent line to the Ohio Central. Ohio Central is buying the line from the CIC. ORDC's contingent interest is that the CIC, and now Ohio Central, cannot abandon and scrap the line without repaying ORDC's share of the original acquisition costs.

WPDOCS/AccomplishmentsCommission

OHIO RAIL DEVELOPMENT COMMISSION
INTER-OFFICE COMMUNICATION

TO: **Matthew Dietrich, Executive Director**

FROM: **Susan J. Kirkland, Manager, Grade Crossing Safety Section**

SUBJECT: **Safety Section Progress Report**

DATE: **October 31, 2007**

==========

The following major objectives were met by the Safety Section during the past two months:

- The Safety Section submitted the *2007 Highway Safety Improvement Program Report* to the Federal Highway Administration (FHWA) on August 31, 2007. A copy of the report is attached for your review.

- The Ohio Central Mt. Vernon Line Project is being finalized. In this project the ORDC is administering a grant for $1.7 million from the Department of Development (ODOD) for the rehabilitation of the surfaces of the public grade crossings on the Ohio Central Mt. Vernon line. A total of 41 locations were selected for surface improvement, 35 of the crossings have been reconstructed. In addition, the ORDC is funding the elimination of 4 crossings on the same line in exchange for 2 warning device improvements. The warning device improvements have been completed and the crossings will soon be closed. A ribbon cutting ceremony is being coordinated by Stu Nicholson. The event will take place on Monday, November 19, 2007 at 10:00 a.m. at the Mt. Vernon B&O Depot.

- The Safety Section conducted a Strategic Planning and Employee Recognition Session on Thursday, October 25, 2007 at Darby Creek Metro Park.

- The Safety Section received final approval on the grant application to the FRA for $880,000 in SAFETEA-LU 1103(f) funding allocated for crossing hazard elimination on federally-designated high speed rail corridors. The ORDC requested three grade crossings on the NS CD Line. The FRA approved two of the three crossings highlighted below at a funding level of $524,900:

  Williams County, N. Union Street, City of Bryan, 509546X
  ~~Wood County, CR 16 / Bradner Rd., Village of Millbury, 509419W~~
  Fulton County, Fulton Street, City of Wauseon, 509509V

- In 2004 ORDC secured a $500,000 grant from the FRA for the Quixote Stop Gate. Under subsequent agreement with FRA, ORDC changed the scope of the original grant to fund circuitry upgrades on the Norfolk Southern Chicago Line (NS CD Line).

  Unfortunately, even though the funds are obligated by the FRA, the appropriations code must be changed from 2004 to 2008. This process is tied up in the budget approval process currently taking place. The FRA believes it will have authorization to proceed by the end of the calendar year.

The total project cost is $590,000 for two circuitry upgrades on the CD Line. NS agreed to fund 15% of each project, and the ORDC agreed fund all costs incurred over NS's share and the grant amount with our FHWA Safety funds. The crossings to be improved are outlined below:

Fulton County, CR D, Fulton County, 509519B
ADT 1,428 (2005)
94 thru train moves/day
4 crashes in 5 years
Hazard Ranking = 133
$300,000 rough estimate

Erie County, CR 122/Rye Beach Road, City of Huron, 524059N
ADT 4,582 (2006)
94 thru train moves/day
1 crash in 5 years
Hazard Ranking = 544
$290,000 rough estimate

- The ORDC continues to receive approximately one dozen constituent complaints per week generated through The Angels on Track website and the filing of *Dangerous Crossing Reports*. To date we have received approximately 150 reports. Each report is diligently investigated. The constituent concerns have generated viable projects for the ORDC and countless corrections have been made to the State of Ohio Database of crossings as a result of the information. Susan Arduini is in the process of creating a spreadsheet of the concerns. In the future, this information may be added to the ORDC website.

- The ORDC Safety Section will work with the City of Vermilion on a rail safety corridor on the Norfolk Southern line through the community. Demo Project OH378 was created by Congresswoman Marcy Kaptur from $1 million of the $4 million originally earmarked OH101 for Vickers Rail Crossing Grade Separation - Northwood Ohio. The federal funds are available at 100% and are designated for the "Vermillion, OH rail improvement project."

- An Ohio warning devices project will be highlighted at the National Highway-Rail Crossing Safety Conference in San Antonio, TX – November 4-7, 2007. The project on a Wheeling and Lake Erie crossing at Wayne County SR 57 just north of Orville will be highlighted in a Forum entitled Creative Solutions for Complex Crossings. The project was completed over 3 stages and may have an additional stage added in the future; it is Joe Reinhardt's project (Presentation Attached).

- CSX Transportation has petitioned the Public Utilities Commission of Ohio (PUCO) for the closure of Lightner Street in the Village of Bradner, Wood County, Ohio. The ORDC staff has been closely involved in the attempted closure of this crossing. Attached is a copy of a letter sent to the community summarizing our position. It is likely that ORDC staff will be subpoenaed for testimony in the PUCO Evidentiary Hearing.

- A fantastic consolidation project has been successfully negotiated in the community of Oak Harbor in Ottawa County. This project was extremely difficult to negotiate; Norfolk Southern and the ORDC teamed together and worked with the community until we negotiated a win-win situation for all three parties. Tod Darfus of the Safety Section is the Project Manager. Two high profile, passive, crossings in close proximity to a grade school will be closed in exchange for multiple incentives offered by the ORDC and Norfolk Southern. One of the two crossings is ranked #2 by the Federal Railroad Administration hazard index.

2007 HIGHWAY SAFETY IMPROVEMENT PROGRAM REPORT
(Evaluation of improvements made in State Fiscal Year FY 2007)
OHIO RAIL DEVELOPMENT COMMISSION
RAILROAD GRADE CROSSING SAFETY PROGRAMS

Purpose: The Ohio Rail Development Commission (ORDC) Railroad Grade Crossing Safety Programs provide funding for highway-railroad grade crossing safety improvements or corrective activity designed to alleviate a highway-railroad hazard. The State of Ohio has approximately 6,100 public, at-grade crossings of which 2,928 (48%) are equipped with flashing lights and roadway gates, 854 (14%) are equipped with flashing lights only and 2,318 (38%) are passive. In addition, Ohio has approximately 2,274 grade separations.

Effectiveness: The crashes occurring at public grade crossings in Ohio have shown a steady decline since the early 1970s. The table below summarizes the progression. The State continues to experience a leveling off, with an alarming 59% of all crashes occurring at locations with active warning devices.

	Calendar Years								
	1998	1999	2000	2001	2002	2003	2004	2005	2006
CRASHES	137	127	143	123	120	112	117	122	108
FATALITIES	14	19	15	21	20	11	13	7	15
INJURIES	42	46	40	41	36	44	32	32	30

Funding: The ORDC Railroad Grade Crossing Safety Programs are funded through the Ohio Department of Transportation (ODOT) from the Federal Highway Administration (FHWA) Highway Safety Improvement Program and Surface Transportation Program. Historically, ORDC has received $15 million per fiscal year. This amount exceeds the $8.2 million set-aside for railroad grade crossing safety in the Transportation Equity Act for the 21st Century and the Safe Accountable, Flexible Efficiency Transportation Equity Act – A Legacy for Users (SAFETEA-LU) by $6.8 million. For State FY 2007, the total expenditures in the grade crossing safety programs were $16,954,609.25.

State Fiscal Year 2006 Activities

INTRODUCTION

This 2007 Highway Safety Improvement Program Report will cover all expenditures made in State FY 2007 toward grade crossing safety. Of the $16,954,609.25 expended on grade crossing safety improvements in State FY 2007, $2,997,663.07 was expended specifically under 23 USC 130. Attached is a spreadsheet titled State FY 2007 – Projects Funded under 23 USC 130. This document reflects the information available as of August, 2007. Complete documentation on these projects will be filed in the annual Highway Safety Improvement Program Report of 2010.

CROSSING APPROACH IMPROVEMENTS

Activities such as channelization, new or upgraded traffic signals and pre-signals guardrails and pedestrian / bicycle path improvements near the crossing are funded as part of individual warning device projects. These types of improvements are not specifically funded as individual projects using Federal funds administered by the ORDC. In addition, the State of Ohio funds grade crossing illumination projects through a State funded Supplemental Assistance Program administered by the Public Utilities Commission of Ohio (PUCO).

CROSSING WARNING SIGN AND PAVEMENT MARKING IMPROVEMENTS

No specific improvements were accomplished in the area of crossing warning sign and pavement marking improvements in State FY 2007 due to the fact that advance warning signs, crossbucks and pavement markings were upgraded in 1994 at all passively-warned highway grade crossings as part of the Manual on Uniform Traffic Control Devices (MUTCD) experiment for the evaluation of the Buckeye Crossbuck. The State is in the process of developing a plan to address the installation on yield and stop signs as part of the crossbuck assembly.

ACTIVE GRADE CROSSING EQUIPMENT INSTALLATION / UPGRADE

Priority Warning Device Improvements (Original Section 130 Program)
In State FY 2007, 17 crossings were specifically identified by the Federal Railroad Administration (FRA) Hazard Index. The locations were selected on a state-wide basis.

The column titled "Effectiveness Hazard Prediction Ranking" on the attached spreadsheet indicates the statewide ranking of the crossing at the time it was selected for improvement. The ranking demonstrates a 1 to approximately 6,100 position of that specific location in comparison to all public at-grade crossings in Ohio. In this particular fiscal year, the project locations are ranked between 1 and 37. Locations between 1 and 37 that were not selected already are equipped with flashing lights and roadway gates, is an existing project identified prior to this set of projects, or a diagnostic team found the existing devices adequate.

Rail Corridor Program
In an effort to take advantage of economies of scale and the closure of redundant crossings, the State of Ohio promotes the concept of upgrading segments of rail, with multiple crossings, at one time. In FY 2007, two (2) Norfolk Southern corridors were addressed:

> A Norfolk Southern corridor was addressed from Vermilion to Payne. This corridor is called the NS B-Line. In 2006, the ORDC completed the majority of this multiple county corridor with the installation of two (2) final warning device projects. In FY 2007, the ORDC continued the initiative to close several crossings within this corridor, and one warning device project was completed.

A portion of a Norfolk Southern corridor was addressed from Columbus to Cincinnati. This corridor is called the NS CJ-Line. The first community addressed is the City of Springfield. In FY 2007, 12 circuitry upgrades, 4 four quadrant gate installations, 2 standard light and gate installations, and 5 closures were funded.

Fatal Crash Upgrade Program

The Fatal Crash Upgrade Program was a new program initiated by the ORDC in 2001. When a community in Ohio experiences a fatal grade crossing crash, the ORDC immediately conducts a field review of the crossing. If the field review ultimately concludes that an engineering improvement would reduce the chance of another crash, the ORDC immediately addresses the engineering issue with a project to implement the corrective action. In FY 2007, the ORDC funded six (6) installations of flashing lights and roadway gates as a result of this program.

Grade Crossing Consolidation Program

In the Grade Crossing Consolidation Program, flexible funds providing local incentive for crossing closure are utilized. The ORDC offers a range of improvements. For example, flashing lights and roadway gates, surface reconstruction, profile improvement, and/or railroad infrastructure improvements that can benefit the highway user and/or the creation of parallel roadways, cul-de-sacs or T-turnarounds.

Over the years, crossing closures have become increasingly difficult to achieve. In 2007, the ORDC closed twenty (20) crossings. In exchange for these closures, two (2) flashing lights and roadway gate installations and ten (10) grade crossing surface reconstruction projects were funded.

County Task Force Program

The ORDC considers local level grass root interests in grade crossing safety a critical component of its overall program. The ORDC has assisted in the creation of approximately one dozen County Railroad Safety Task Force organizations throughout the State. In these Task Force groups, ORDC's efforts are often complemented by the work of such rail highway grade crossing safety advocacy groups as "The Angels on Track Foundation." ORDC staff is active on each of the Task Force groups and attempts to partner with local groups to fund safety projects that they prioritize. The only projects funded in 2007 under this category were three flashing light and roadway gate installations in Medina County. These projects were "split funded" by this program, the PUCO and the railroad.

State Route System Crossing Improvement Program

The ORDC desires to eliminate crossings on Ohio's State Route system that are equipped with passive signage and/or flashing light systems. In Fiscal Year 2007, the ORDC funded five (5) upgrades from passive signage to flashing lights with roadway gates on Ohio's State System.

Signal Circuitry Upgrade
The ORDC funded one (1) project in State Fiscal Year 2007. The ORDC's ultimate goal is to equip crossings with state-of-the-art light and flashing roadway gates. The ORDC attempts to addresses a few of these crossings each year.

VISIBILITY IMPROVEMENTS

Visibility improvements are not currently funded as individual projects using Federal funds. Activities such as sight distance improvements and vegetation clearance are funded through the PUCO's state funded Supplemental Assistance Program.

ROADWAY GEOMETRY IMPROVEMENTS

Surface Reconstruction Program
The ORDC funds the installation of high-type surface material at grade crossings. The Surface Reconstruction Program primarily addresses crossings on the State Route system and is funded by a labor/material split with the operating railroad. The ORDC funds the material costs and the railroad funds the labor portion of the project. In 2007, the ORDC funded 77 projects.

Profile Improvement
Activities such as sight distance improvement and elimination of high-profile ("humped") crossings are funded as part of the Supplemental Assistance Program through the PUCO.

GRADE CROSSING ELIMINATION

Grade Crossing Consolidation Program
In the Grade Crossing Consolidation Program, flexible funds providing local incentive for crossing closures are utilized. The ORDC offers a range of incentives. For example, flashing light with roadway gates installation, surface reconstruction, profile improvement, railroad infrastructure improvements that can benefit the highway user, the creation of parallel roadways and cul-de-sacs.

In 1999, the State of Ohio began the Rail Grade Separation Program developed under the direction of Governor Taft. This program is a 10-year, $200 million program led by the Ohio Department of Transportation (ODOT) and the Ohio Rail Development Commission (ORDC). Annually, from 2001 through 2010, the ORDC will commit $2 million to this program. The program will address safety, mobility and economic development concerns from Ohio's local communities and elected leaders. The program is intended to address a minimum of 30 crossings during its 10 year duration. Detailed information on this program can be found at http://www.dot.state.oh.us/rgsp/.

Specifically, in 2007, the ORDC closed twenty (20) crossings. In exchange for these closures, two (2) flashing lights and roadway gate installations and ten (10) grade crossing surface reconstruction projects were funded. The table below summarizes the past nine (9) Fiscal Year's closures.

FISCAL YEAR	Number of Closures
1999	24
2000	5
2001	28
2002	5
2003	6
2004	6
2005	3
2006	9
2007	20
Total	**106**

GRADE CROSSING INVENTORY UPDATE

In FY 1999, the ORDC funded the creation of a State of Ohio Grade Crossing Inventory Database. This online tool allows anyone with Internet access to view photographs of the actual crossings as well as query relevant data about the crossing. The PUCO is charged by the Ohio Revised Code (ORC) to maintain the Grade Crossing Inventory for the State of Ohio.

The data is updated to reflect warning devices improvements and/or modifications made by the State of Ohio. To ensure this, the ORDC requires that photographs be taken at the final inspection of each federally funded project and ORDC staff enters these photographs along with updated information about the warning devices into the database. In addition, the ORDC continues to collect information related to railroad data from Ohio's carriers. These efforts require no specific expenditure of funds.

Summary of Fiscal Year 2006 Activities

The following table outlines the funds expended in Fiscal Year 2007 on actual projects. Change orders are not included in this Table. This data will be fully reported in the Highway Safety Improvement Program Report submitted in June, 2010.

Category	Number of Crossings	Cost	Functional Class
Active Grade Crossing Equipment Installation/Upgrade	71	$14,851,309.97	FC2 = 1 FC6 = 3 FC7 = 6 FC8 = 4 FC9 = 31 FC14 = 2 FC16 = 7 FC17 = 1 FC19 = 16
Roadway Geometry Improvements	77	$2,102,299.28	FC6 = 5 FC7 = 16 FC9 = 13 FC16 = 4 FC14 = 5 FC2 =1 FC19 = 26 FC8 = 2 FC17 = 5
Grade Crossing Elimination	20		

01 Rural Interstate
02 Rural Principal Arterial
06 Rural Minor Arterial
07 Rural Major Collector
08 Rural Minor Collector
09 Rural Local

11 Urban Interstate
12 Urban Other Freeway & Expressways
14 Urban Other Principal Arterial
16 Urban Minor Arterial
17 Urban Collector
19 Urban Local

PROJECT METRICS

Evaluation of projects funded under 23 USC 130 for State FY 2004 is attached on a spreadsheet titled "FY 2004 – Projects Funded under 23 USC 130."

CONCLUSION

For State FY 2008, the ORDC plans to continue conducting Grade Safety Programs in the same manner focusing improvements at the most hazardous crossings utilizing the most cost-effective measures.

State FY 2004 - Projects Funded Under 23 USC 130

Federal Funding Level in FY 2004 = $15,301,711.83 83 Flashing Lights with Roadway Gate Installations, 6 Crossings Closed, 27 Surface Reconstruction Projects									EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100)		CRASH DATA BEFORE		CRASH DATA AFTER								
											1/1/2001 - 3/31/2004*	4/1 - 12/31/ 2004	2005			2006			2007		
Federal-Aid Project Number	County	ROUTE	No Reported Crashes	FHWA Roadway Functional Classification	Project Type and Description	Pre-project Crossing Protection	Crossing Type	TOTAL PROJECT COST	Before	After**	*Total Number of Crashes (as reported on the Diagnostic Review Forms) - Crash data by year no	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO
E040(885)	ATB	TR 281 (Tower Road) Dorset Twp.	503118F	9	Active Grade Crossing Equipment Installation /Upgrade	Passive	Vehicular/Public	$194,485.31	20	528	2	No Reported Crashes											
E040(398)	AUG	CR-91 (Moulton-Ft. Amanda Rd.) Auglaize Co.	505081A	9		Passive		$91,300.09	19	1378	2												
E040(397)	AUG	TR 161 (Hauss Road) Duchouquet Twp.	155650K	9		Passive		$118,473.76	34	417	1												
E040(989)	GAL	CR-7 (Georges Creek Road) Gallia Co.	517013H	8		Passive		$146,242.89	37	595	2												
E040(399)	HAM	Debolt Avenue	481712C	19		Passive		$111,920.84	12	3,510	2												
E040(903)	HAM	Webster Avenue	525278F	19		Passive		$161,975.09	15	209	2												
E040(988)	HAN	CR 216 Hancock Co.	476781A	8		Passive		$116,751.51	33	806	2												

State FY 2004 - Projects Funded Under 23 USC 130

Federal Funding Level in FY 2004 = $15,301,711.83 83 Flashing Lights with Roadway Gate Installations, 6 Crossings Closed, 27 Surface Reconstruction Projects									EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100)		CRASH DATA BEFORE		CRASH DATA AFTER								
											1/1/2001 - 3/31/2004*	4/1 - 12/31/ 2004	2005			2006			2007		
Federal-Aid Project Number	County	ROUTE	No Reported Crashes	FHWA Roadway Functional Classification	Project Type and Description	Pre-project Crossing Protection	Crossing Type	TOTAL PROJECT COST	Before	After**	*Total Number of Crashes (as reported on the Diagnostic Review Forms) - Crash data by year no	FATAL	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO
E040(295)	HAN	TR-136 (Portage Road) Portage Twp.	472468J	9	Active Grade Crossing Equipment Installation /Upgrade	Passive	Vehicular/Public	$148,939.15	14	324	1	No Reported Crashes									
E040(400)	LOG	CR 25 Logan Co.	518355L	9		Passive		$128,247.93	21	2,188	1										
E040(899)	MAR	TR-185 (Lucas Road) Grand Prarie Twp.	481545F	9		Passive		$151,687.30	18	721	2										
E036(731)	MED	CR-134 (Bryenton Road) Medina Co.	002059W	9		Passive		$158,929.02	11	4,574	3										
E040(401)	MIA	Third Street City of Tipp City	155169E	19		Passive		$104,086.00	27	343	1										
E040(990)	PUT	CR-5 Putnam Co.	155742X	9		Passive		$105,455.17	11	544	2										
E040(354)	SEN	CR-28 Seneca Co.	228797P	9		Passive		$112,511.74	25	2,498	1										
E040(902)	SHE	TR-131 (Lindsey Road) Washington Twp.	538767D	9		Passive		$117,079.08	32	2,675	1										

State FY 2004 - Projects Funded Under 23 USC 130

Federal Funding Level in FY 2004 = $15,301,711.83 83 Flashing Lights with Roadway Gate Installations, 6 Crossings Closed, 27 Surface Reconstruction Projects									EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100)		CRASH DATA BEFORE		CRASH DATA AFTER								
											1/1/2001 - 3/31/2004*	4/1 - 12/31/ 2004	2005			2006			2007		
Federal-Aid Project Number	County	ROUTE	No Reported Crashes	FHWA Roadway Functional Classification	Project Type and Description	Pre-project Crossing Protection	Crossing Type	TOTAL PROJECT COST	Before	After**	*Total Number of Crashes (as reported on the Diagnostic Review Forms) - Crash data by year no	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO
E040(355)	WOO	TR-16 (Bradner Road) Montgomery Twp.	228811H	8	Active Grade Crossing Equipment Installation /Upgrade	Active/ FL-LTS Only	Vehicular/Public	$148,726.33	31	145	2	No Reported Crashes											
E040(356)	WOO	TR-28 (Mermill Road) Montgomery Twp.	228809G	9		Passive		$134,157.05	36	387	1												

State FY 2007 - Projects Funded Under 23 USC 130

Federal Funding Level in FY 2007 = $16,954,609.25 71 Flashing Lights with Roadway Gate Installations, 20 Crossings Closed, 77 Surface Reconstruction Projects										EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100)	CRASH DATA BEFORE														
											2003			2004			2005			2006			2007		
Federal-Aid Project Number	COUNTY	ROUTE	DOT #	FHWA Roadway Functional Classification	Project Type and Description	Crossing Protection	OBLIGATED PROJECT COST* /ORDC ESTIMATE TO DATE	Before	After**	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO
E070(633)	ATH	Cross St. Village of Glouster	513473W	19	Active Grade Crossing Equipment Installation/Upgrade	Passive	206740.39	12							1						1				
E070(595)	CRA	TR-44 (Biddle Rd.) Polk Twp.	262041C	9		Passive	207776	5				1									1				
E070(506)	CUY	Carter St. City of Solon	921724N	19		Passive	210288.32	13				1													
E070(743)	CUY	Hummel Rd. City of Brook Park	141939H	19		Active/ FL-LTS Only	500000	150													1				
E070(632)	FAI	TR-227 (Allen Rd.) Violet Twp.	513387A	9		Passive	258968.18	80													1				
E070(550)	FAY	CR-64 (Jasper Coil Rd.) Fayette Co.	151924V	9		Passive	162955.93	39							1				1						
E070(551)	FAY	CR-70 (Yeoman Rd.) Fayette Co.	153758M	9		Passive	167714.26	47			1								1						
E070(598)	FRA	Huntley Rd. City of Worthington	518948D	19		Passive	163921	19											1						
E070(596)	FRA	Scioto Darby Rd. City of Columbus	513323N	19		Active/ FL-LTS Only	158676	55																	
E070(519)	LOR	CR-38 (West Rd.) Lorain Co.	002036P	9		Passive	168395.93	8											1			1			

State FY 2007 - Projects Funded Under 23 USC 130

Federal Funding Level in FY 2007 = $16,954,609.25 71 Flashing Lights with Roadway Gate Installations, 20 Crossings Closed, 77 Surface Reconstruction Projects								EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100)		CRASH DATA BEFORE														
										2003			2004			2005			2006			2007		
Federal-Aid Project Number	COUNTY	ROUTE	DOT #	FHWA Roadway Functional Classification	Project Type and Description	Crossing Protection	OBLIGATED PROJECT COST* /ORDC ESTIMATE TO DATE	Before	After**	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO
E050(360)	LUC	Otter Creek Rd. City of Oregon	851548Y	16	Active Grade Crossing Equipment Installation/Upgrade	Passive	145326	60				1								1				
E070(520)	MAD	TR-96 (Roberts Mill Rd.) Union Twp.	527993W	9		Passive	168316.11	4			2							1			1			
E070(594)	MED	TR-74 (Stone Rd.) York Twp.	142492A	9		Passive	153051	6													2			
E070(401)	MIA	TR-187 (Rusk Rd.) Stauton Twp.	155201V	9		Passive	168395	30										1						
E070(630)	SAN	TR-276 (Dunton Rd.) York Twp.	472384N	9		Passive	170304.56	10													2			
E070(505)	STA	Navarre Rd. City of Massillon	474336F	6		Passive	169462.13	9				1					1							
E070(518)	TRU	CR-1088 (Logangate Rd.) Trumbull Co.	544717N	9		Active/ FL-LTS Only	181012.7	75							1									
E070(597)	UNI	TR-136 (Dogleg Rd.) Paris Twp.	513821X	9		Passive	156992	48										1						
E070(801)	WOO	Lightner St. Village of Bradner	228813W	19		Passive	300000	28										1						

PDO - Property Damage Only

**Ranking/After - Not available until projects constructed.

$3,818,295.51 divided by 19 = $200,962.92 Average Project Cost

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

March 8, 2007

The Honorable Raymond Zaker
Mayor, Village of Bradner
130 N. Main Street
P.O. Box 599
Bradner, Ohio 43406

Dear Mayor Zaker:

The Ohio Rail Development Commission (ORDC) has visited your community twice in the past 3 months to take part in diagnostic reviews of the CSX crossing on Lightner Street (228 813W). I personally visited with you and two other members of Village Council at the most recent visit on February 21, 2007.

The ORDC is reviewing the crossing at Lightner Street because it has been identified by a formula as hazardous. This formula ranks all of the crossings in the State from least to most hazardous. The total number of crossings ranked is 6,100 and the Lightner Street crossing ranks number 28.

The ORDC believes that Lightner Street is a redundant and unnecessary crossing. The presence of parallel roads to the railroad coupled with the close proximity of SR 281 and Crocker Street negates the need for the Lightner Street crossing. Vehicular traffic and emergency vehicles can easily access all areas of the community with little or no inconvenience.

If this crossing were not a prime closure candidate, the corrective action that the ORDC would typically take to improve the safety of a crossing is to install flashing lights and roadway gates. Because the Lightner Street crossing ranks so high on the hazard index, an improvement of this nature would be funded with 100% Federal funds. From a railroad signal standpoint, the Lightner Street crossing is very complex. An installation of flashing lights and roadway gates at this location will cost approximately $400,000.

In listening to the discussions that ensued at the diagnostic review in February, I clearly understand the Village's frustration and anger toward CSX. I recognize that Bradner does not view CSX as a good neighbor to your community. In that light, I have made calls to CSX officials to request the debris adjacent to the tracks be immediately removed. In addition, I will continue to work with the community to resolve outstanding issues with CSX. However, with that being acknowledged, I strongly encourage the community to not use this issue to "punish" the railroad for their unresponsiveness. CSX will not be the entity funding the $400,000 project, taxpayer funds will be utilized.

In my 18 year experience as the Manager of Railroad Safety Programs I have negotiated the closure of over 100 crossings in the State. They are always difficult negotiations, but have always resulted in a win-win situation. The crossing at Lightner Street is one of the most obvious closure candidates I have ever worked on. I implore Village Council as stewards of public monies to seriously consider the ORDC's proposal outlined below. By Ohio law this is a local decision and the ORDC must accept the local highway authority's ruling.

The ORDC can fund other crossing improvements in exchange for a crossing closure. I believe the Village could benefit from a high type concrete surface at both SR 281 and Crocker Street. The ORDC will fund both of these improvements at 100% and as part of the improvements we can include the replacement of sidewalks through the crossings. In addition, we can team with CSX and offer the Village a $15,000 grant that can be used for any type of highway safety improvement in the community. This grant is very flexible and can be used for nearly anything associated with your roadways. Finally, as a result of Councilwoman Linda Wildman's request, I did review the Bradner Road crossing. Clearly it is severely skewed and would benefit from the addition of traffic pattern delineation. Regardless of your decision on Lightner Street, the ORDC will initiate this corrective action.

I sincerely hope that I have convinced Council to take action to close the Lightner Street crossing. Tod Darfus of my staff will be at your council meeting the evening of March 15, 2007 to discuss the proposal.

Respectfully,

Susan J. Kirkland
Manager, Safety Programs

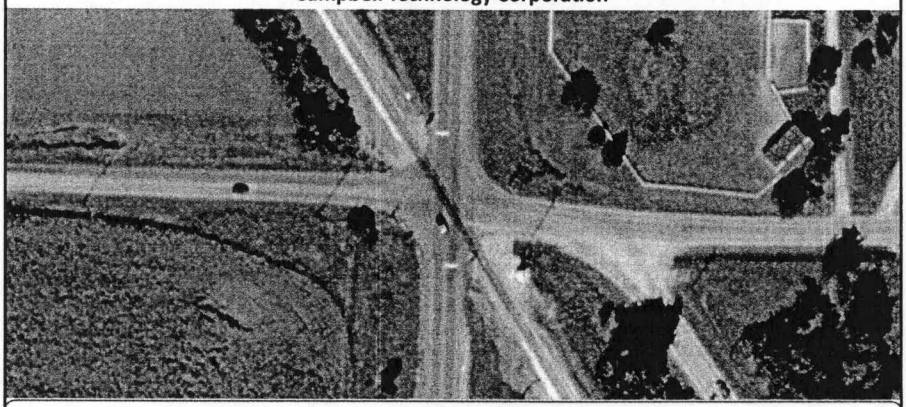
SJK:sja

c: Leah Thomas Dalton, Chief, Railroad Division, PUCO
Mel McNichols, Principal Projects Engineer, CSX Transportation
Tod Darfus, ORDC

CREATIVE SOLUTIONS TO COMPLEX CROSSINGS

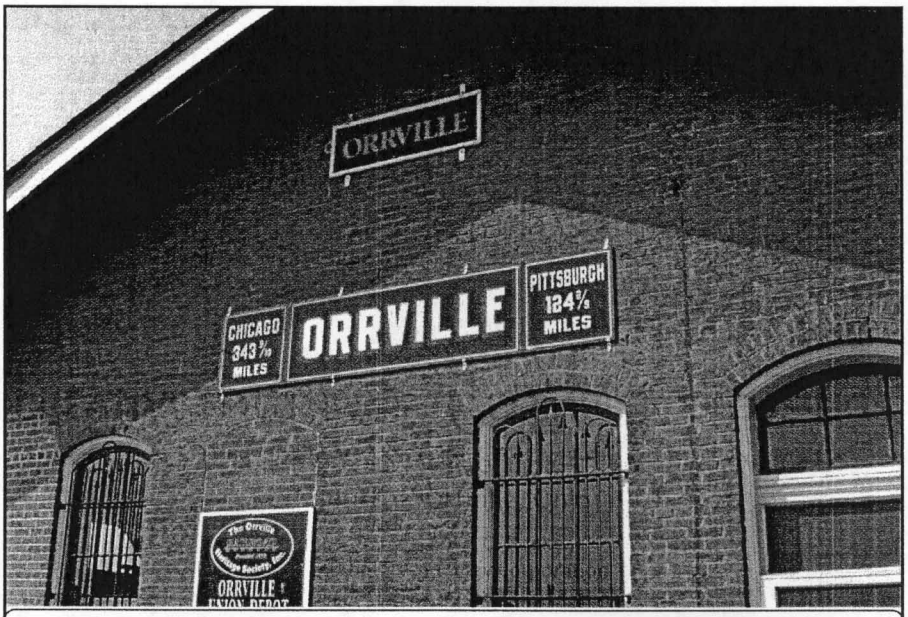
SR 57 & Church Road @ Wheeling & Lake Erie Railway
South of Orrville, Ohio

Presented by: Scott C. Booker, P.E.
Campbell Technology Corporation



2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

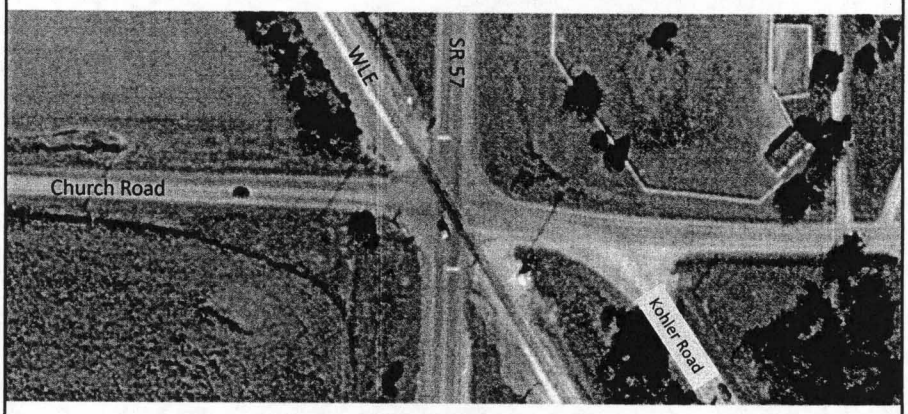
CTC CAMPBELL TECHNOLOGY CORPORATION



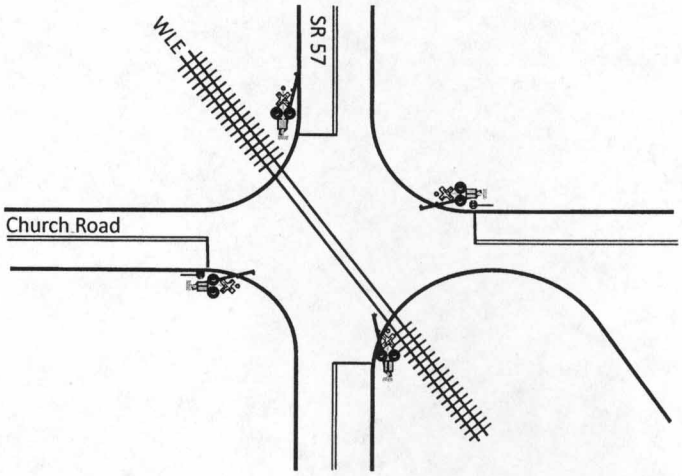
2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

CTC CAMPBELL TECHNOLOGY CORPORATION

SR 57 & Church Road @ Wheeling & Lake Erie Railway



Gates & Lights Installed on all approaches in 1997



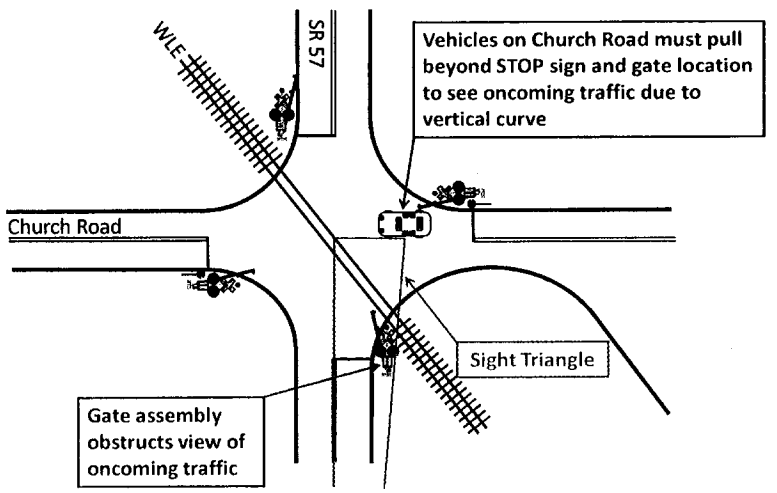
2005 - Operational Study by ODOT District 3

- Numerous right angle collisions (not train related)
- Two train involved accidents since gates installed - both involved cars left on tracks after traffic accident
- Intersection at crest of vertical curve in both directions
- Traffic on Church Road must pull well past STOP sign and gate location to see oncoming traffic
- Sight obstruction caused by gate assemblies on SR 57
- Traffic Signal not warranted by traffic volumes

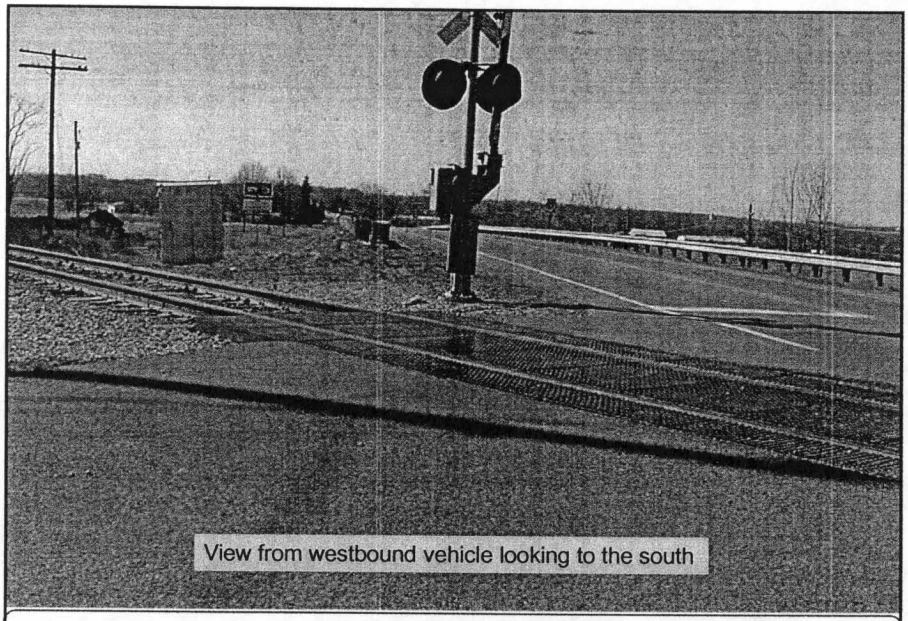
Diagnostic Team Recommendation (June 2005)

- Relocate northbound and southbound gate assemblies out of sight triangle for traffic stopped on Church Road

Operational Issues


WLE
SR 57
Vehicles on Church Road must pull beyond STOP sign and gate location to see oncoming traffic due to vertical curve
Church Road
Sight Triangle
Gate assembly obstructs view of oncoming traffic

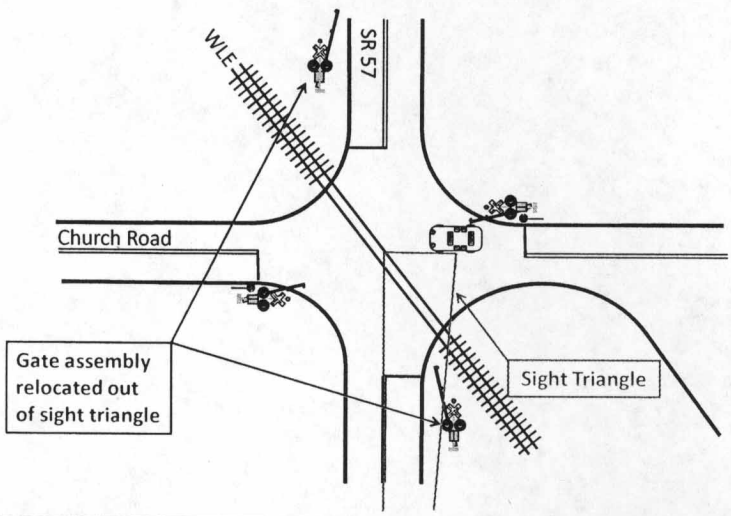
2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas
CTC CAMPBELL TECHNOLOGY CORPORATION



2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

CTC CAMPBELL TECHNOLOGY CORPORATION

Northbound and Southbound Gate Assemblies Relocated



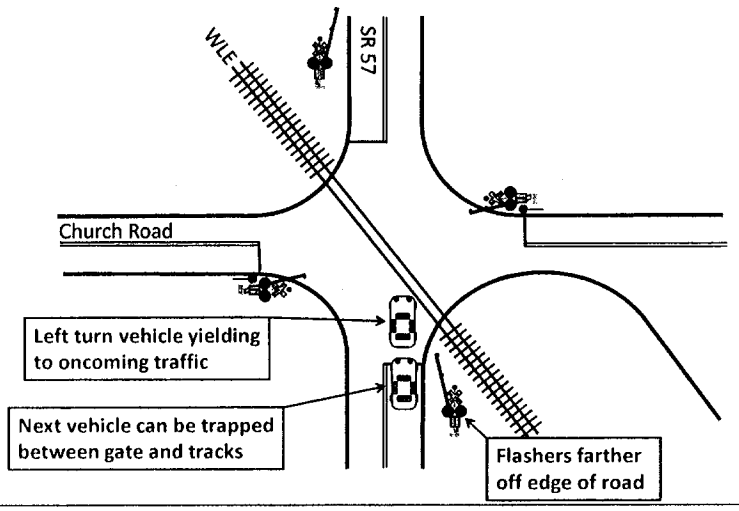
2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

CTC CAMPBELL TECHNOLOGY CORPORATION

Relocation of Gates Led to New Issues

- Gate relocation allowed for additional vehicle storage between gates and tracks
- Before gates were relocated, room for only one vehicle (stopped to turn left onto Church Road) between gate and tracks in northbound or southbound direction - next vehicle would be stopped behind gate
- After gates were relocated, room for 2nd vehicle to be stopped behind left turn vehicle but beyond gate arm
- After left turn vehicle cleared, there may not be enough time for 2nd vehicle to clear Minimum Track Clearance Distance before train arrival
- Flashing lights too far off edge of roadway

Relocation of Gates Led to New Issues


WLE
SR 57
Church Road
Left turn vehicle yielding to oncoming traffic
Next vehicle can be trapped between gate and tracks
Flashers farther off edge of road

Brainstorming Ideas

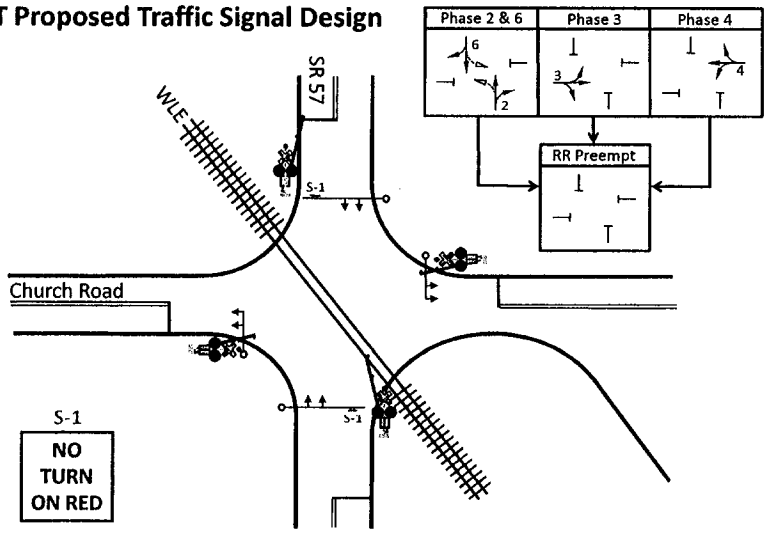
- Traffic Signal
- NO LEFT TURN signs on SR 57
- Retrofit RR flashers with LED
- Crosshatch pavement marking
- Relocate eastbound and westbound gates closer to intersection

Diagnostic Team Recommendation (February 2006)

- Install traffic signal interconnected to RR warning devices
- Relocate northbound and southbound gates to original location
- ORDC agreed to fund new traffic signal and all necessary RR modifications

2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas
CTC CAMPBELL TECHNOLOGY CORPORATION

ODOT Proposed Traffic Signal Design



2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

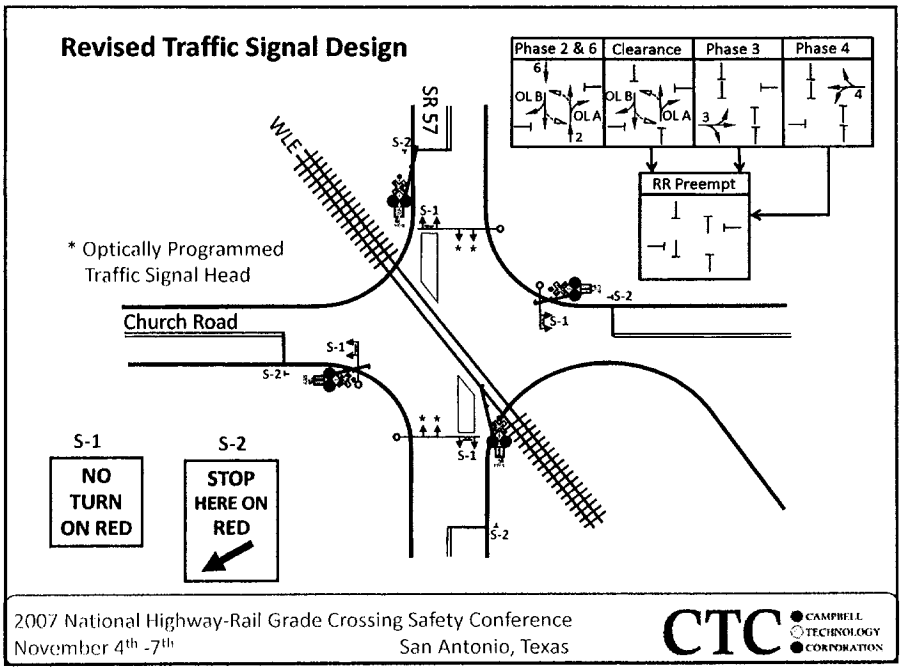
CTC CAMPBELL TECHNOLOGY CORPORATION

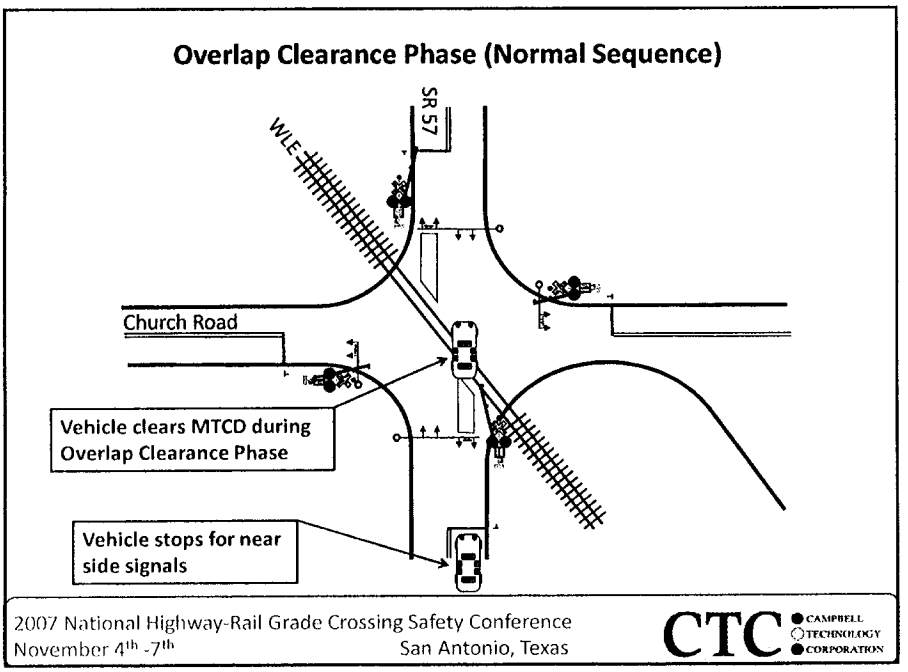
Recommendations from Outside Review

- Add near side traffic signals for northbound and southbound on existing proposed mast arm
- Create northbound and southbound overlap clearance phases allowing for clearance of MTCD during normal signal sequence and ability to have Track Clearance Green
- Optically program far side northbound and southbound traffic signals
- Additional vehicle detection area on SR 57 between gate and tracks to extend overlap clearance phases
- NO TURN ON RED signs on all approaches
- STOP HERE ON RED signs on all approaches
- Serial interconnection
- Calculation of Advance Preemption Time

2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

CTC CAMPBELL TECHNOLOGY CORPORATION


Revised Traffic Signal Design
Phase 2 & 6
Clearance
Phase 3
Phase 4
RR Preempt
SR 57
WLE
* Optically Programmed
Traffic Signal Head
Church Road
S-1
NO
TURN
ON RED
S-2
STOP
HERE ON
RED
2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th
San Antonio, Texas
CTC
CAMPBELL
TECHNOLOGY
CORPORATION


Overlap Clearance Phase (Normal Sequence)
SR 57
WLE
Church Road
Vehicle clears MTCD during
Overlap Clearance Phase
Vehicle stops for near
side signals
2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th
San Antonio, Texas
CTC
CAMPBELL
TECHNOLOGY
CORPORATION

Preemption Recommendations

- If traffic signal is in Phase 3 or 4, time minimum green, yellow clearance and then hold in all red
- If traffic signal is in Phases 2 & 6, time minimum green, yellow clearance and then proceed to overlap clearance
- If traffic signal is in overlap clearance, time minimum green, yellow clearance and then hold in all red
- Type 2070 Traffic Signal Controller w/ software that included IEEE 1570 communication protocol
- Serial preemption device in RR cabin
- Calculation of Advance Preemption Time

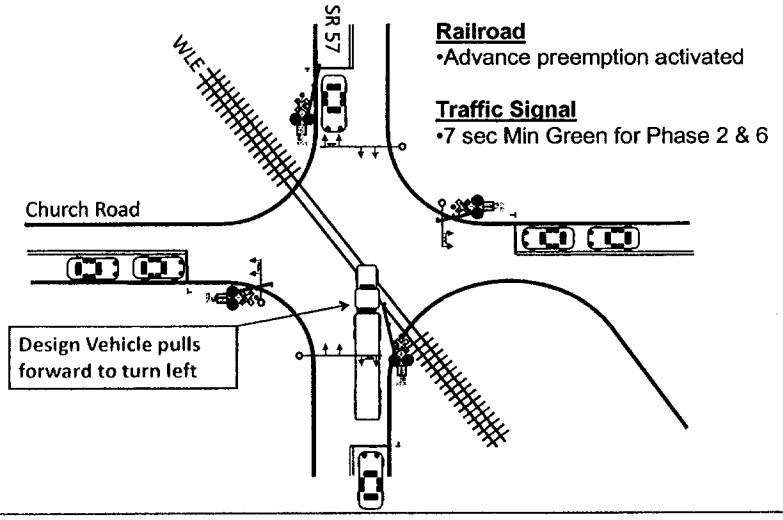
Calculation of Advance Preemption Time

Worst-case Scenario for Preemption:

- NB and SB just turned Green when preemption occurs
- Design Vehicle (NB or SB) wants to turn left onto Church Road and pulls forward near tracks and waits for gap in oncoming traffic or for near side signals to stop oncoming traffic.
- Tail end of Design Vehicle is not clear of RR gate arm.

NB/SB Min Green (near signals)	7 seconds
Yellow Change (near signals)	+ 5 seconds
Time for DV to start moving	+ 2 seconds
Time for tail end of DV to clear gate	+ 4 seconds
RR Flashing lights before gate descent	- 3 seconds
Non-interaction gate descent	- 2 seconds
	APT = 13 seconds

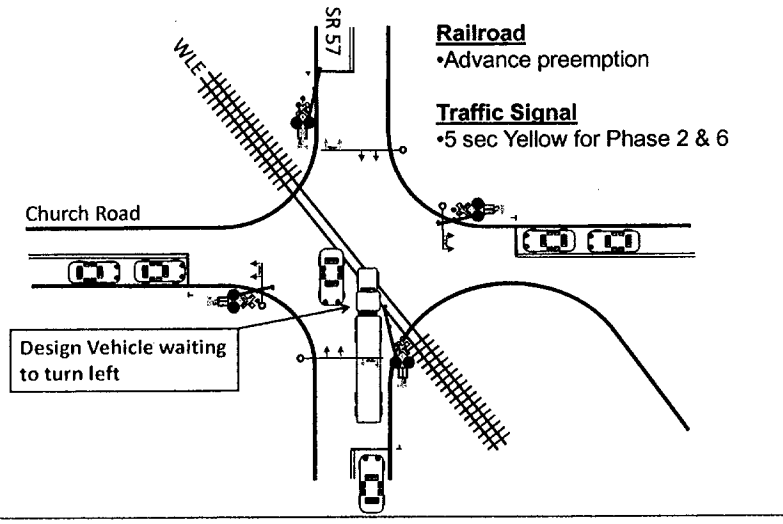
Preemption Sequence



2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

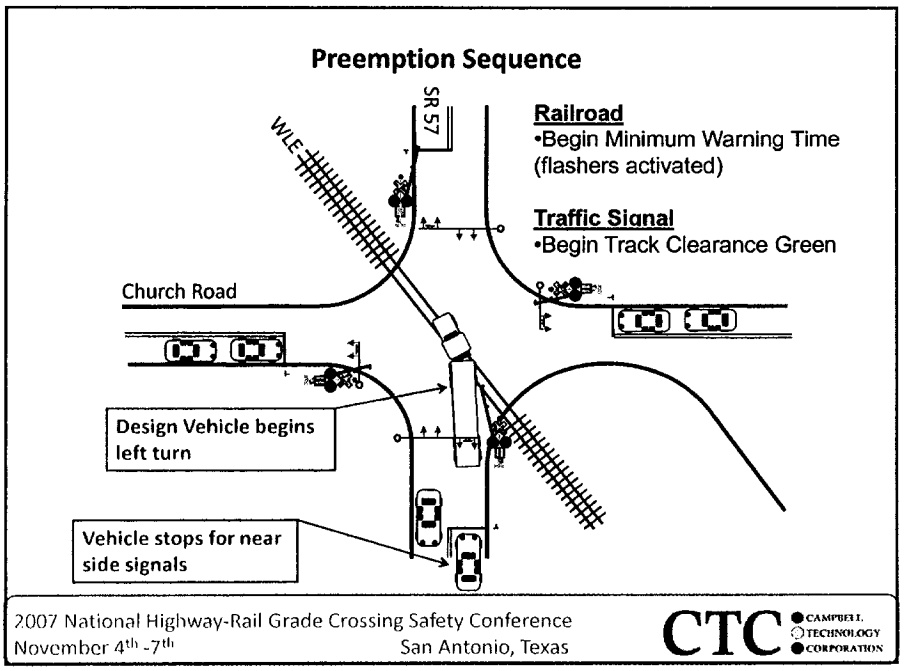
CTC CAMPBELL TECHNOLOGY CORPORATION

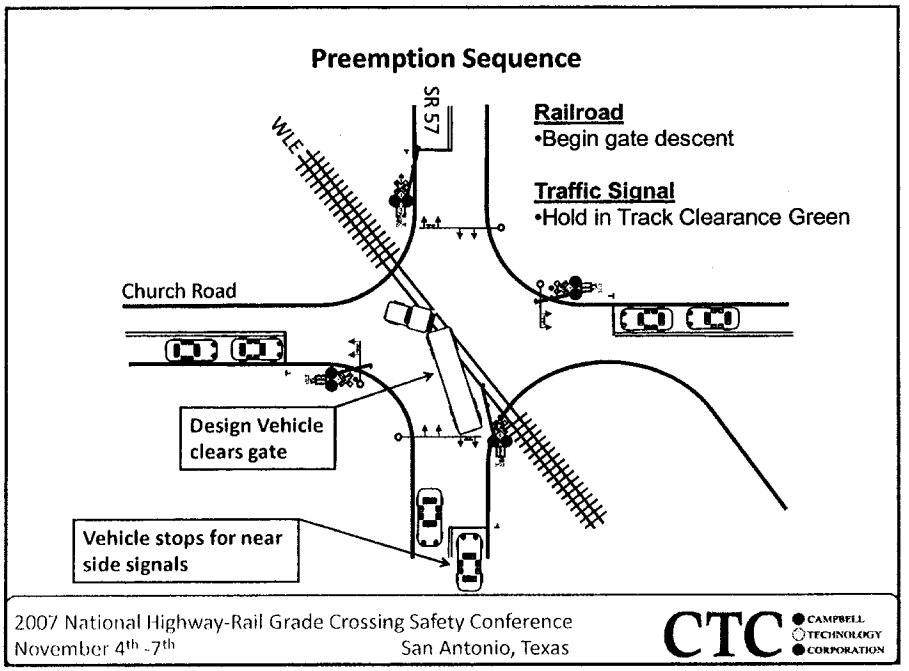
Preemption Sequence



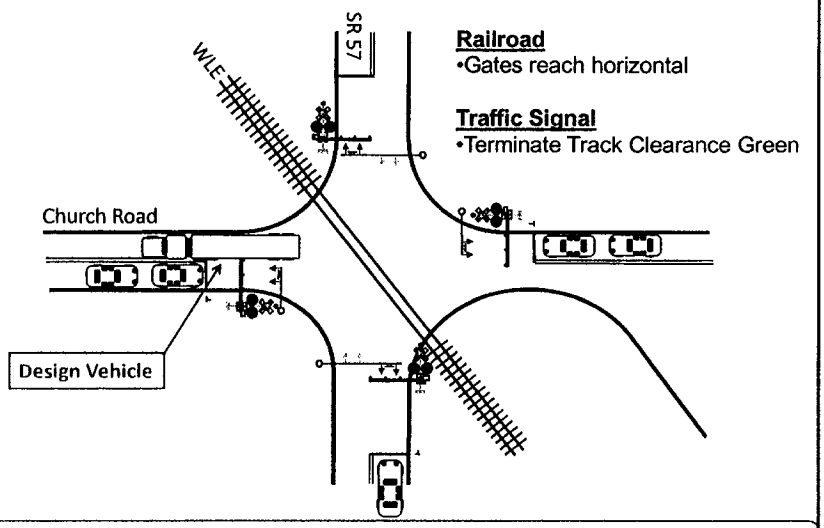
2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

CTC CAMPBELL TECHNOLOGY CORPORATION


Preemption Sequence
SR 57
WLE
Railroad
•Begin Minimum Warning Time
(flashers activated)
Traffic Signal
•Begin Track Clearance Green
Church Road
Design Vehicle begins
left turn
Vehicle stops for near
side signals
2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th
San Antonio, Texas
CTC
CAMPBELL
TECHNOLOGY
CORPORATION


Preemption Sequence
SR 57
WLE
Railroad
•Begin gate descent
Traffic Signal
•Hold in Track Clearance Green
Church Road
Design Vehicle
clears gate
Vehicle stops for near
side signals
2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th
San Antonio, Texas
CTC
CAMPBELL
TECHNOLOGY
CORPORATION

Preemption Sequence



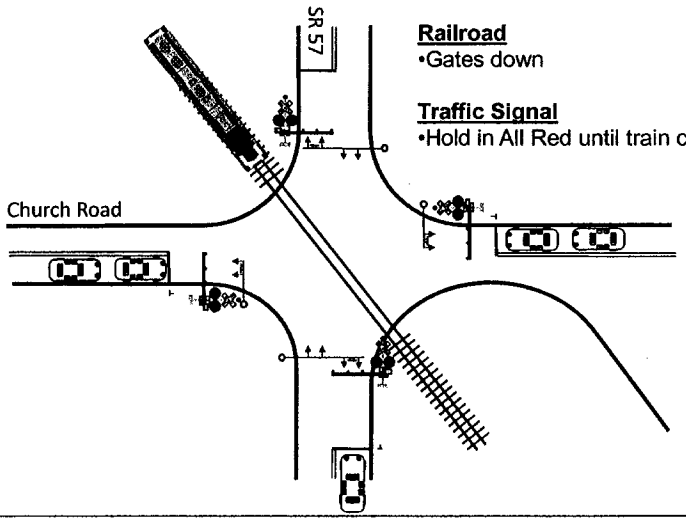
Railroad
•Gates reach horizontal

Traffic Signal
•Terminate Track Clearance Green

2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

CTC CAMPBELL TECHNOLOGY CORPORATION

Preemption Sequence



Railroad
•Gates down

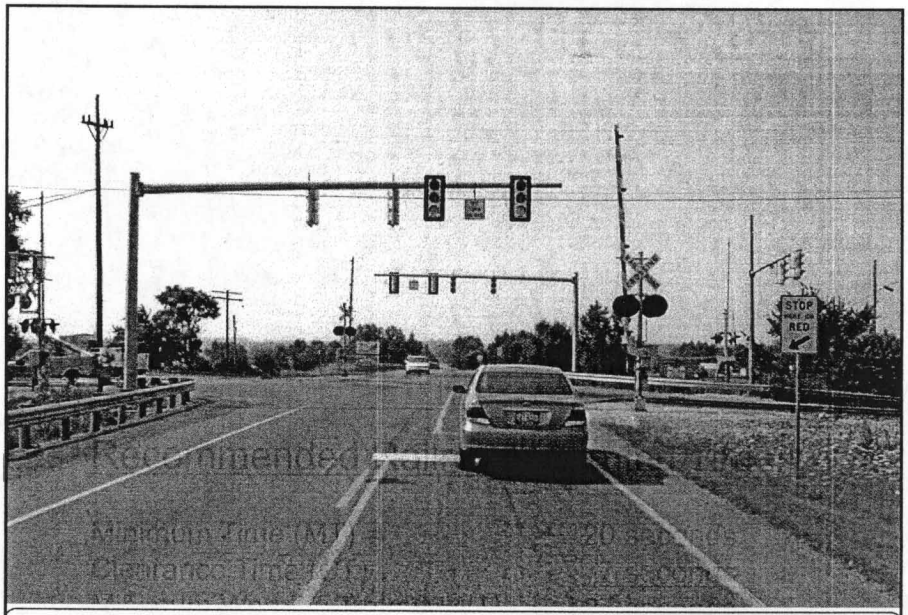
Traffic Signal
•Hold in All Red until train clears

2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

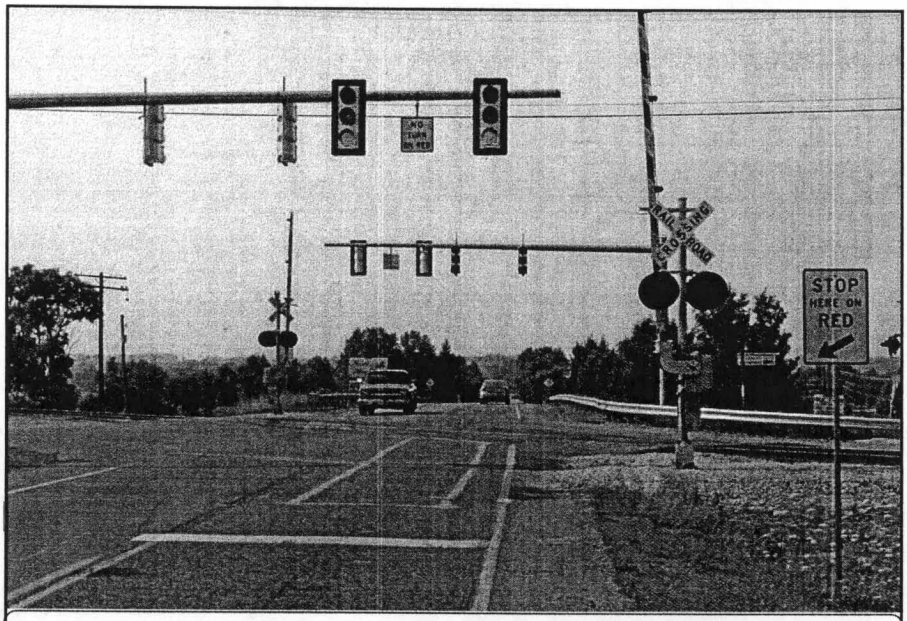
CTC CAMPBELL TECHNOLOGY CORPORATION

Recommended Railroad Warning Times:

Minimum Time (MT)	20 seconds
Clearance Time (CT)	7 seconds
Minimum Warning Time (MWT)	27 seconds
Minimum Warning Time (MWT)	27 seconds
Buffer Time (BT)	5 seconds
Total Warning Time (TWT)	32 seconds
Total Warning Time (TWT)	32 seconds
Equipment Response Time (ERT)	5 seconds
Advance Preemption Time (APT)	13 seconds
Total Approach Time (TAT)	**50 seconds**

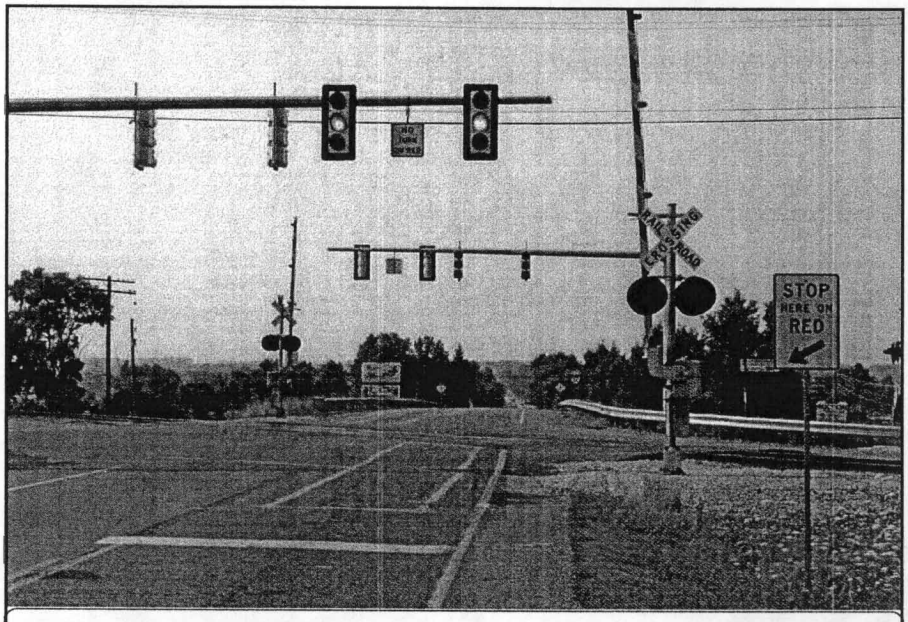


2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas
CTC CAMPBELL TECHNOLOGY CORPORATION



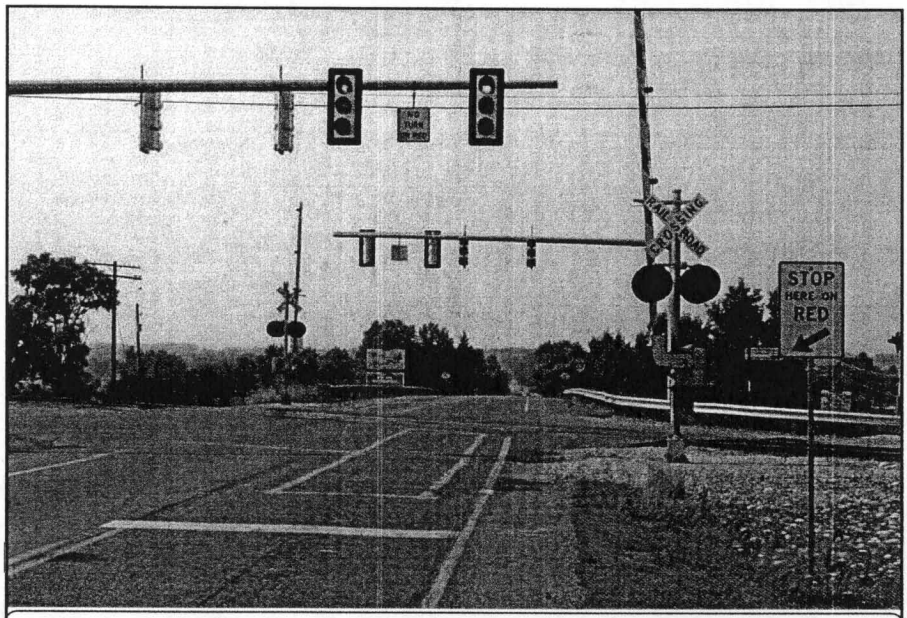
2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

CTC CAMPBELL TECHNOLOGY CORPORATION



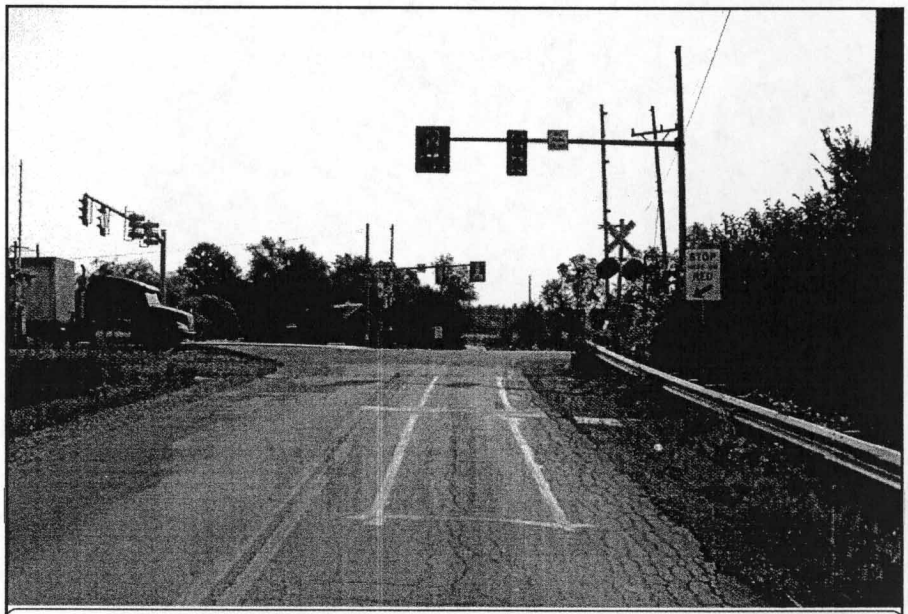
2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

CTC CAMPBELL TECHNOLOGY CORPORATION



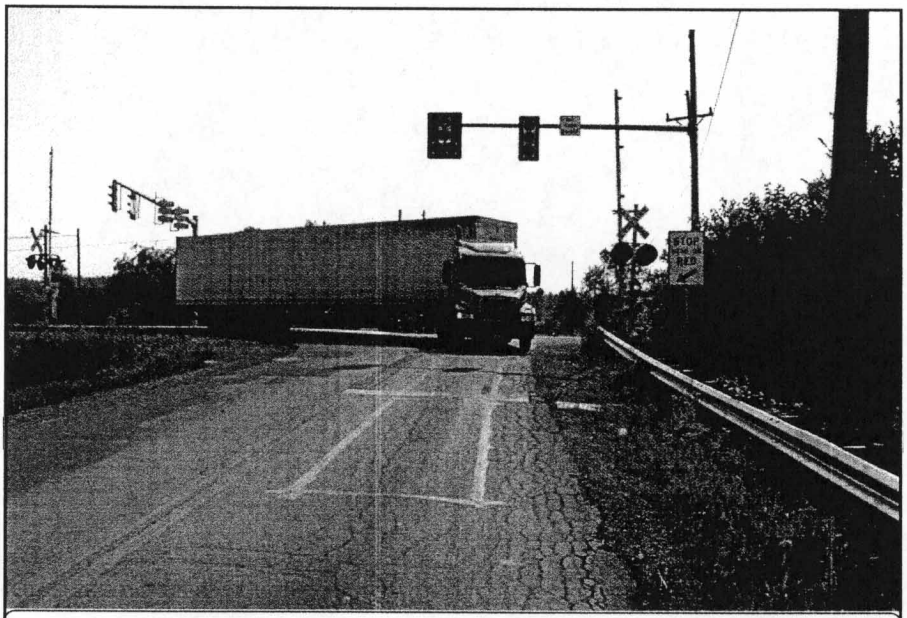
2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

CTC CAMPBELL TECHNOLOGY CORPORATION



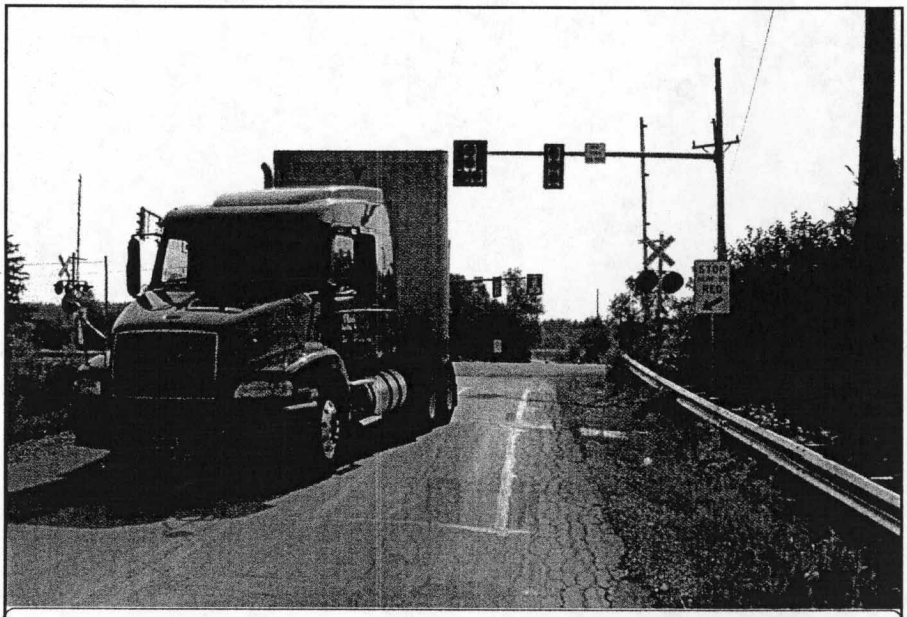
2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

CTC CAMPBELL TECHNOLOGY CORPORATION



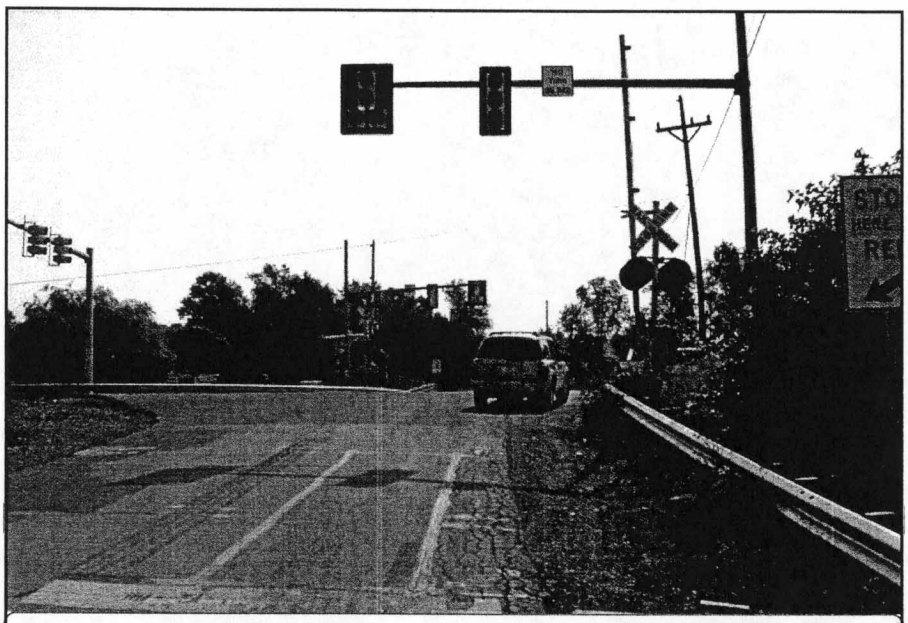
2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

CTC CAMPBELL TECHNOLOGY CORPORATION



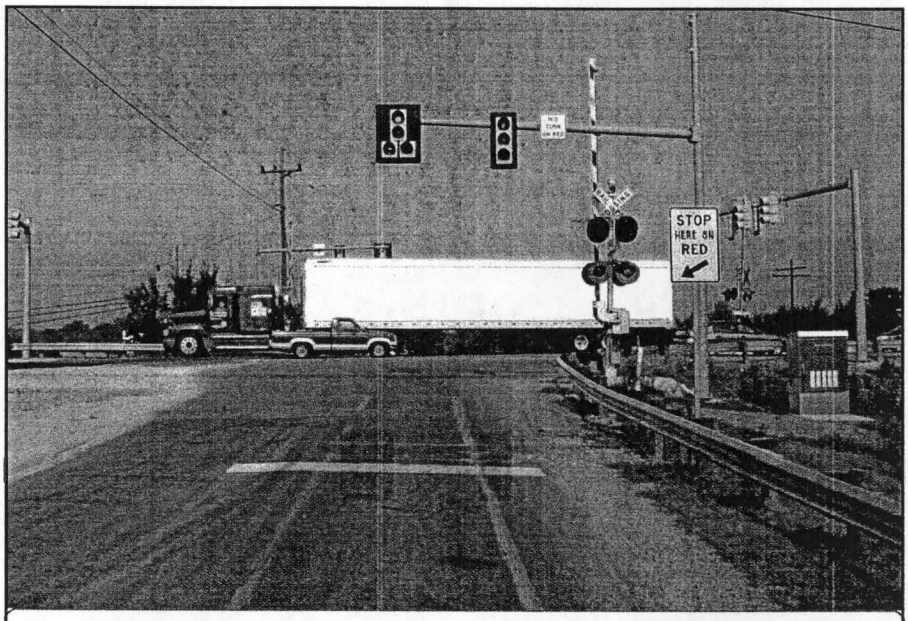
2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

CTC CAMPBELL TECHNOLOGY CORPORATION



2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

CTC CAMPBELL TECHNOLOGY CORPORATION



2007 National Highway-Rail Grade Crossing Safety Conference
November 4th -7th San Antonio, Texas

CTC CAMPBELL TECHNOLOGY CORPORATION

PROJECT BRIEFING
CITY OF TROTWOOD/CITY OF DAYTON RAIL SPUR IMPROVMENTS
October 30, 2007

Rail Project Funding		**Project Benefits**
*** ORDC Grant**	**$200,000**	*** 200 to 300 New Jobs**
*** Trotwood TIF**	**$217,270**	*** 200 to 450 New Rail Cars/Yr.**
*** County Grant**	**$100,000**	*** 205 Acres of Industrial Land Opened to Rail**
*** ODOD Grant**	**$200,000**	*** City of Dayton Rail Line More Viable**

INTRODUCTION: The City of Trotwood requests a $200,000 grant to rehabilitate approximately 1,160 ft. of existing track and to relocate and rebuild approximately 2,511 ft. of track in Dayton and in Trotwood to bring CSX rail service to a new $50 million/400,000 sq. ft. auto industry distribution center in a Trotwood industrial park.

BACKGROUND: The City of Trotwood and the City of Dayton have entered into a formal partnership to promote economic development in both of their contiguous communities. The City of Dayton owns a four mile long rail line which is located primarily in the City of Dayton but extends several hundred feet into Trotwood at the site of the Trotwood Commerce Park. The line in Trotwood is currently out of service. A new auto parts distribution business, which prefers to keep its name and specifics of its plans confidential, has agreed to locate a new $50 million, 400,000 sq. ft. plant in the Trotwood Commerce Park. The new plant will generate about nine cars of week of rail business. To get rail to the new plant, part of the existing out of service portion of the City of Dayton's rail line must be rehabilitated, and part of it must be relocated and rebuild onto the plant site.

Rail Line History: In 1991, CSX filed to abandon its line from Dayton in Montgomery County, to Arcanum, in Darke County. Subsequently, the City of Dayton bought four miles of this line (MP 2.2 in Dayton to MP 6.2 in Trotwood near Olive Road) to preserve rail to one of its industrial parks. At MP 2.2, the Dayton line connects to an active CSX line that was never subject to abandonment. MP 0.0 is the connection between the branch to Trotwood and the CSX Toledo to Cincinnati mainline. The rest of the line (MP 6.2 to MP 26.43 between Trotwood and Arcanum as well as four miles of line at Arcanum) was abandoned and torn up. A map of the City of Dayton owned rail line is included as Exhibit "A".

The City's foresight paid off as two rail users located their operations near the end of the City owned line, Erb Lumber, and Malt Products. ORDC helped facilitate getting rail service to both of these companies by investing $125,000 to help build the $320,000 Erb Lumber spur in 2000, and by investing $218,706 to help build a run around track to facilitate effective service by CSX to a new Malt Products plant in 1995. The City of Dayton has been using fees paid by shippers and its own resources to keep the four mile rail line maintained. CSX crews provide rail service.

Erb Lumber was subsequently bought out by Stock Building Supply. Between Stock and Malt, the City of Dayton rail line generates about 100 carloads of business a year.

Auto Distribution Project: Trotwood is raising $3.8 million to provide the needed land and infrastructure for the new plant. Major costs include $2.3 million in road improvements to handle 50 to 100 trucks per day. In addition, Trotwood is providing $540,000 in land. Off site rail costs on the City of Dayton line are $717,270 while on-site rail costs for two spur tracks totaling over 1,400 feet of track will be over $300,000.

Trotwood's funding includes $2.25 million in Tax Increment Financing (TIF) funding, a $200,000 Ohio Department of Development (ODOD) 412 Rapid Outreach grant of $200,000, an ODOD 629 Roadwork Development grant of $200,000, and a Montgomery County Economic Development/Government Equity (EDGE) grant of $500,000.

Industrial Property Opened Up to Rail: Currently, CSX rail service stops on the east side of SR 49. SR 49 is grade separated from the rail line with the rail line running under the road. The preponderance of developable land along the City of Dayton line is on the west side of SR 49. Extending active rail service to the west side of SR 49 will open up 90 acres of land zoned light industrial in Trotwood and 115 acres of land zoned light industrial in Dayton. All of this land is proximate to water, sewer, electric, gas and road infrastructure. A map showing the area and acreage is included herein as Exhibit "B".

The new site location opportunities are important to CSX as well as to Trotwood and Dayton. Congestion along CSX mainlines leaves fewer and fewer opportunities to locate new businesses. CSX ruled out several potential sites for the auto parts distribution plant because mainline issues precluded effective service to them. CSX will be actively promoting the Dayton and Trotwood sites in the future.

PROJECT DESCRIPTION

ORDC grant funds would go toward the $717,270 cost of rehabilitating and relocating the Dayton line. Here is a breakdown of costs:

Off Site Rail Costs

Design, Bid Package, Construction Inspection	**$20,370**
Clearing & Grubbing 3,800 ft.	**$50,000**
Ballast Regulator to Clear Track	**$5,700**
Track Take Up for Reuse in Relocating/Rebuilding Line	**$42,000**
Rehabilitation of 1,160 feet of Out of Service Track	**$35,000**
Grading, Excavation, and Drainage, 2,511 feet	**$240,000**
New Track Construction, 2,511 feet	**$324,200**
Grand Total	**$717,270**

These costs include the construction of a 920 ft. passing siding needed to effectively serve the new plant as well as a turn-out to facilitate the construction of new track to the south of the relocated line. A diagram of the new track construction is included herein as Exhibit "C".

The City of Dayton will contract out for allof the off site track work described above. Dayton will continue to own and maintain all off site rail. The City of Trotwood has an agreement in place whereby it will transfer to Dayton any and all funds ORDC provides for off site rail.

WHY ORDC FUNDING IS NEEDED

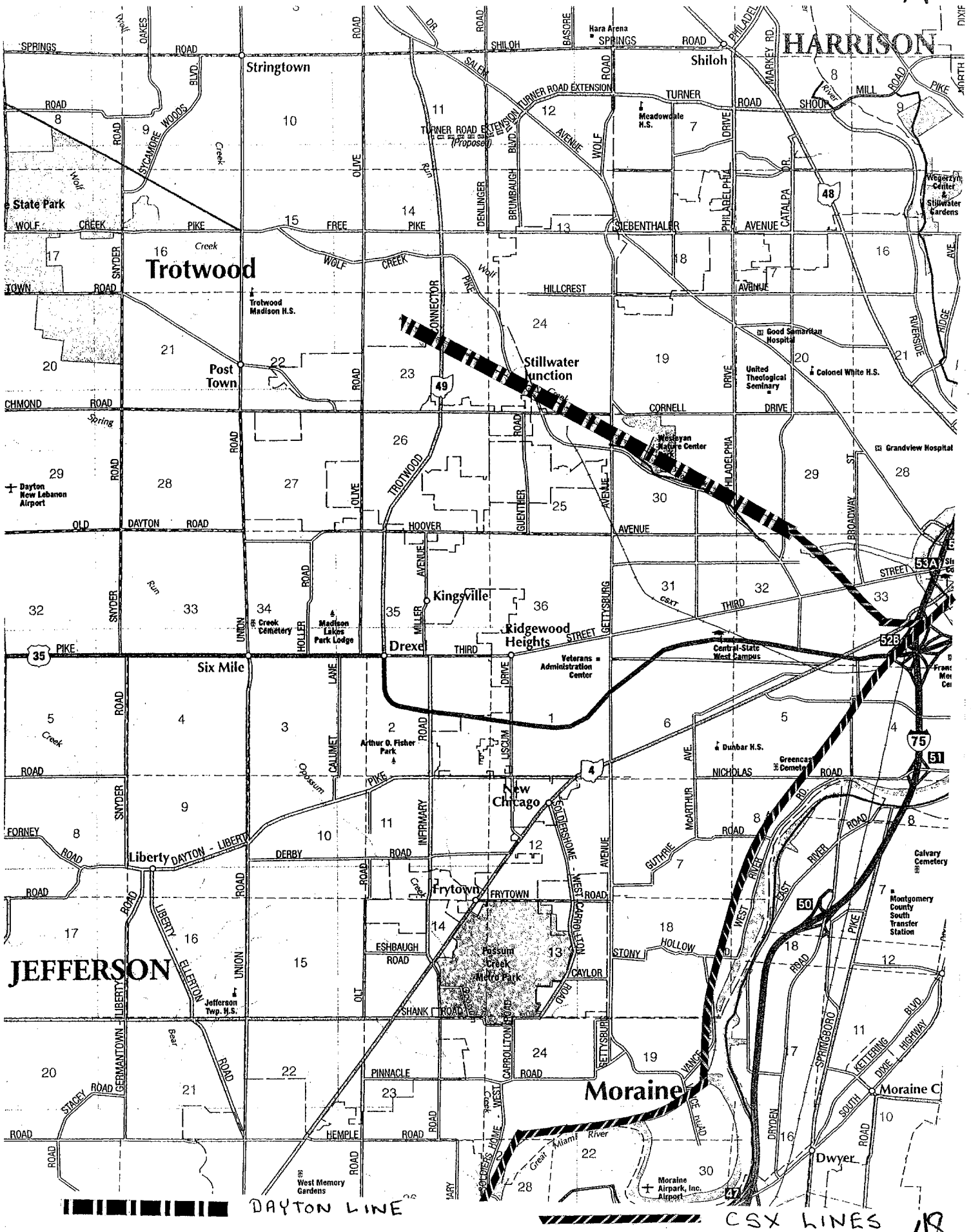
ORDC is helping the City of Trotwood fill a gap in the $3.8 million it is raising for the overall project.

PROJECT BENEFITS

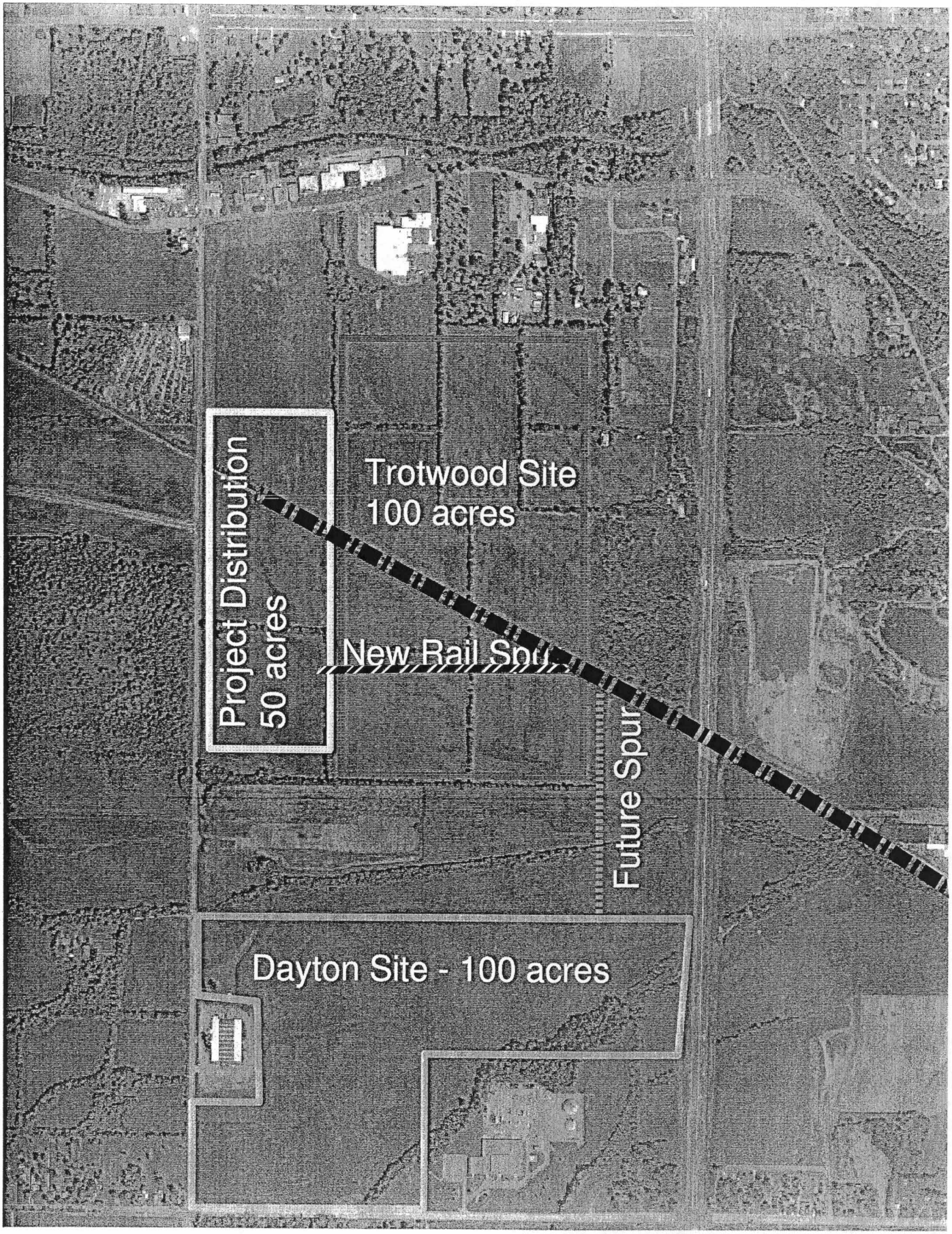
- Trotwood will ensure that 200 new jobs are created at the auto parts distribution plant.
- Trotwood will ensure that 200 new carloads per year are generated along the Dayton line.
- 205 acres of land zoned light industrial will be opened up to potential new rail-dependent developments.
- Additional carloadings will provide Dayton with more shipper funds for overall line maintenance and will enhance the service to existing rail users.

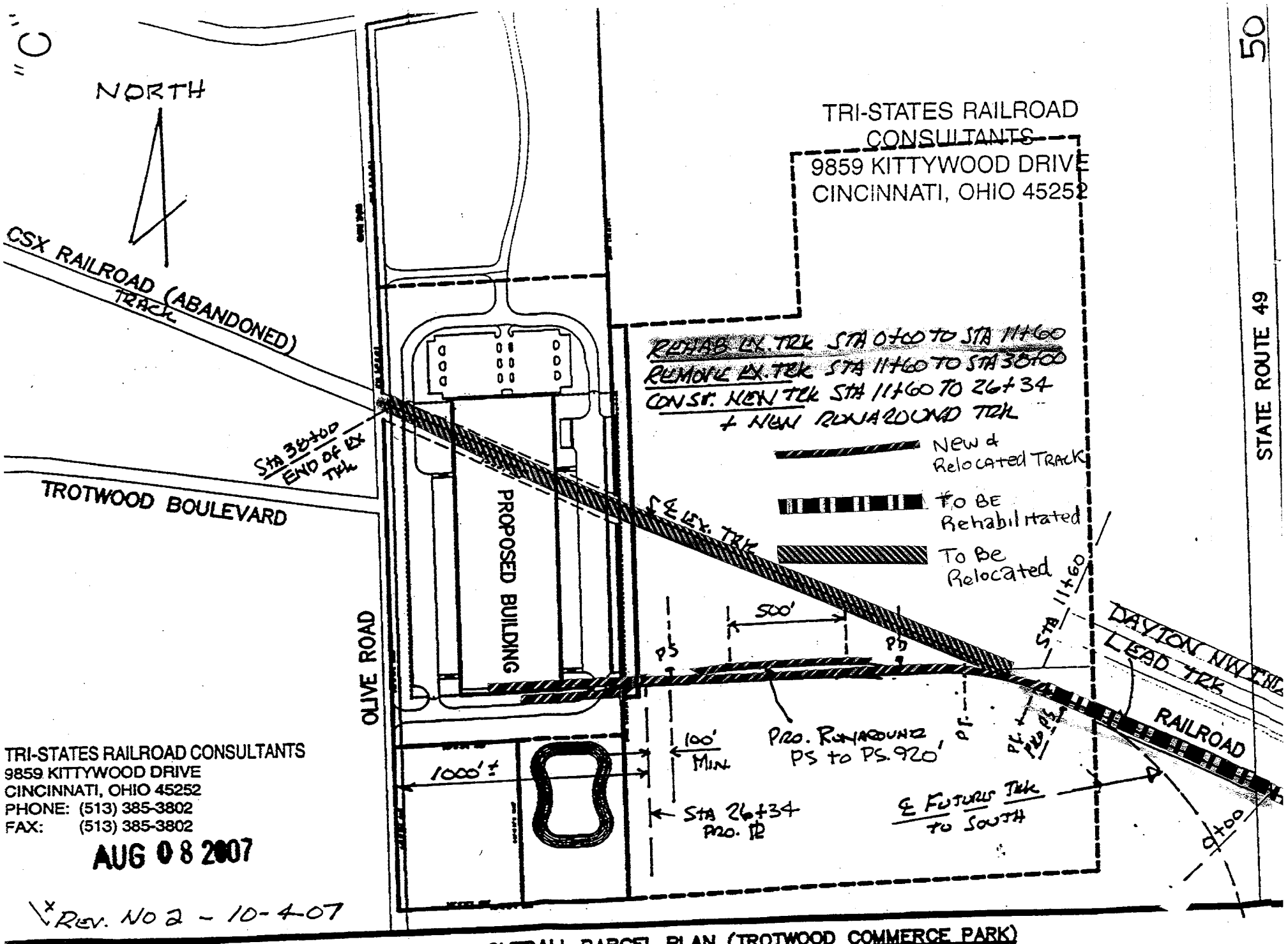
OTHER CONTRIBUTIONS

- ODOD 412 Rapid Outreach Grant of $200,000.
- ODOD 629 Roadwork Development Grant of $200,000.
- Montgomery County EDGE Grant of $500,000.
- Trotwood TIF of $2,250,000.
- Trotwood Land Donation of $540,000.


HARRISON
Shiloh
Stringtown
Trotwood
Post Town
Stillwater Junction
Kingsville
Drexel
Ridgewood Heights
Six Mile
New Chicago
Liberty
Frytown
JEFFERSON
Moraine
Dwyer
Moraine C
Dayton New Lebanon Airport
Trotwood Madison H.S.
Meadowdale H.S.
Colonel White H.S.
Dunbar H.S.
Jefferson Twp. H.S.
Madison Lakes Park Lodge
Arthur O. Fisher Park
Veterans Administration Center
Central State West Campus
Grandview Hospital
Good Samaritan Hospital
United Theological Seminary
Wegerzyn Center & Stillwater Gardens
Calvary Cemetery
Montgomery County South Transfer Station
Moraine Airpark, Inc. Airport
Hara Arena
Miami River
Great
Bear Creek
Wolf Creek
Spring Run
Possum Creek Metro Park
TURNER ROAD EXTENSION (Proposed)
DAYTON LINE
CSX LINES

48


Project Distribution
50 acres
Trotwood Site
100 acres
New Rail Spur
Future Spur
Dayton Site - 100 acres



TRI-STATES RAILROAD CONSULTANTS
9859 KITTYWOOD DRIVE
CINCINNATI, OHIO 45252
PHONE: (513) 385-3802
FAX: (513) 385-3802

AUG 08 2007

REV. NO 2 - 10-4-07

OVERALL PARCEL PLAN (TROTWOOD COMMERCE PARK)
SCALE: 1" = 500'

REV NO. 1 8-9-07. RELOCATED PRO. TURNOUT TO SERVE SOUTH SIDE

RESOLUTION 07-14

RE: THE CITY OF TROTWOOD ("CITY") RAIL SPUR GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE CITY UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to the City; and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the City; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the City with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the City, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By _____
Seconded By _____

Upon roll call, the vote resulted as follows:

Jolene Molitoris, Chair	____	yes	____	no	____	absent	____	abstained	____ Recused
Howard Wood for James G. Beasley	____	yes	____	no	____	absent	____	abstained	____ Recused
Barbara Hammontree Bennett	____	yes	____	no	____	absent	____	abstained	____ Recused
Kimberly Gibson for Lt Gov Fisher	____	yes	____	no	____	absent	____	abstained	____ Recused
Solomon Jackson	____	yes	____	no	____	absent	____	abstained	____ Recused
Thomas McOwen	____	yes	____	no	____	absent	____	abstained	____ Recused
Larry Sowers	____	yes	____	no	____	absent	____	abstained	____ Recused
Herk Wolfe	____	yes	____	no	____	absent	____	abstained	____ Recused
Daniel Roberts	____	yes	____	no	____	absent	____	abstained	____ Recused
James Hartung	____	yes	____	no	____	absent	____	abstained	____ Recused

ORDC ACTION: Motion approved ____ Other action _____
Motion denied ____ Date 11/8/07

CERTIFICATE

I, the undersigned Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 11/8/07
Jolene M. Molitoris, Chair Date

EXHIBIT A

A grant to the City in the amount up to Two Hundred Thousand Dollars ($200,000)(the "ORDC Grant") to to rehabilitate approximately 1,160 ft. of existing track and to relocate and rebuild approximately 2,511 ft. of track in Dayton and in the City to bring CSX rail service to a new $50 million/400,000 sq. ft. auto industry distribution center in a Trotwood industrial park (the "Rail Service Project") as defined herein pursuant to Section 4981.032 of the Ohio Revised Code in the City in Montgomery County, Ohio.

The ORDC Grant is subject to the following condition:

The City must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending ORDC funds.